



**JOINT LEGISLATIVE
ECONOMIC OUTLOOK
AND
REVENUE ASSESSMENT COMMITTEE**

INFORMATION PACKET
Statewide and Industry Economic Trends, Analysis, and Questions

FISCAL YEARS 2004 AND 2005



**JOINT LEGISLATIVE
ECONOMIC OUTLOOK AND REVENUE ASSESSMENT COMMITTEE
FISCAL YEARS 2004 AND 2005**

Committee Members

*Rep. Hilde Kellogg,
Co-Chairman*

*Sen. John Goedde,
Co-Chairman*

Rep. Max Black

Rep. Dolores Crow

Rep. Jack Barraclough

Rep. Leon Smith

Rep. Charles Cuddy

Sen. Hal Bunderson

Sen. Brad Little

Sen. Robert Geddes

Sen. Brent Hill

Sen. Mike Burkett

Legislative Staff

*Jason Hancock
Budget & Policy Analyst*

COMMITTEE'S ROLE

Article VII, Section II of the Idaho Constitution provides that *"No appropriation shall be made, nor any expenditure authorized by the legislature, whereby the expenditure of the state during any fiscal year shall exceed the total tax then provided by law..."*

COMMITTEE'S MISSION

The Committee's mission is to: (1) Make an overall assessment of Idaho's economy; by providing a forum for expert testimony from economists, business leader, and industry spokesmen regarding the status of Idaho's current economy and the economic outlook for the next eighteen months. (2) Review the Governor's fiscal years 2004 and 2005 General Fund revenue projections and provide advice to the Legislature regarding the total estimated revenues expected to be available for appropriation.



**JOINT LEGISLATIVE
ECONOMIC OUTLOOK AND REVENUE ASSESSMENT COMMITTEE
FISCAL YEARS 2004 AND 2005**

Committee Members

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**INSTRUCTIONS AND QUESTIONS TO ASSIST THOSE MAKING
PRESENTATIONS TO THE ECONOMIC OUTLOOK AND REVENUE
ASSESSMENT COMMITTEE**

January 7, 8, and 15, 2003

We are grateful for your willingness to appear before our committee, and thank you for your commitment to our beautiful state and its citizens. The most important part of the committee's mission is to make an overall assessment of Idaho's economic outlook and the General Fund revenues for FY 2004 and FY 2005. In order to help guide your presentation to key areas of committee interest, please be prepared to address the following questions. The first group are general questions that all presenters can speak to, the second group are questions that are more specific to your field and area of expertise.

General Questions

1. How will the Idaho economy perform in the remainder of FY 2004 (January 2004 to June 2004) and in FY 2005 (July 2004 to June 2005), and what impact will this likely have on state tax revenues?
2. How will the national economy perform in the remainder of FY 2004 (January 2004 to June 2004) and in FY 2005 (July 2004 to June 2005), and how will this affect Idaho?
3. What areas of the economy will be strong over the next 18 months? Which areas will be weak?
4. How will your industry and/or company perform over the next 18 months?
5. Do you know of any companies that are planning on moving operations into or out of Idaho in the next 18 months?
6. What policies should Idaho be following to promote economic growth and higher wages?

Specific Questions

Economic Outlook & Revenue Assessment Committee Agenda

| Wednesday, January 7th, 2004 | |
|--|--|
| <i>Location: JFAC Room (#328), State Capitol</i> | |
| 9:00 AM | Co-Chair comments, review packet, discuss economic issues |
| 9:15 AM | Jason Hancock Budget & Policy Analyst, LSO |
| 9:30 AM | John Church Consulting Economist |
| 10:20 AM | Break |
| 10:30 AM | Kelly Mathews Wells Fargo Bank |
| 11:30 AM | Dwight Johnson, Deputy Director Idaho Department of Labor |
| 12:15 PM | Lunch on your own |
| 1:30 PM | Pat Takasugi, Director Idaho Department of Agriculture |
| 1:45 PM | New Ag College Dean & Garth Taylor U of I, College of Agriculture |
| 2:15 PM | Jane Gorsuch Intermountain Forest Association |
| 2:45 PM | Norm Varin, Chief Actuary Regence Blue Shield of Idaho |
| 3:15 PM | Break |
| 3:30 PM | Alex LaBeau Idaho Association of Realtors |
| 4:00 PM | Lou Riepl, Bechtel BWXT Rep. INEEL |
| 4:30 PM | Nancy Vannorsdel, President & CEO Boise Metro Chamber of Commerce |
| 5:00 PM | Adjourn |

| Thursday, January 8th, 2004 | |
|--|--|
| <i>Location: JFAC Room (#328), State Capitol</i> | |
| 8:00 AM | Karl Tueller, Deputy Director Idaho Department of Commerce |
| 8:30 AM | Pam Eaton Idaho Retailers Association |
| 9:00 AM | Bob Maynard, Investment Manager PERSI |
| 9:45 AM | Break |
| 10:00 AM | Dan John, Tax Policy Division Idaho State Tax Commission |
| 10:30 AM | Idaho Universities Revenue Estimate ISU, BSU, U of I Economics Profs. |
| 11:15 AM | Randy Nelson, President Associated Taxpayers of Idaho |
| 12:00 PM | Adjourn |

| Thursday, January 15th, 2004 | |
|--|---|
| <i>Location: JFAC Room (#328), State Capitol</i> | |
| Committee members turn in revenue projections to Jason Hancock (Room #327) by 3:00 PM Monday, January 12th | |
| 2:00 PM | Michael Ferguson & Derek Santos Division of Financial Management Executive Revenue Projection for FY 2004 and FY 2005 |
| 3:00 PM | Jason Hancock Budget & Policy Analyst, LSO |
| 3:30 PM | Committee Work Session (finalize report to Legislature) |

For information, please contact Jason Hancock at 334-3531

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KEY STATE ECONOMIC INDICATORS - 10 YEAR TRENDS

| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | Est. 2004 | Est. 2005 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|--------------|--------------|
| Non-farm Personal Income - current \$ a,d,4 | \$23,298 | \$24,557 | \$26,149 | \$27,872 | \$30,382 | \$31,400 | \$32,572 | \$33,908 | \$35,663 | \$37,563 |
| % Change | 5.5% | 5.4% | 6.5% | 6.6% | 9.0% | 3.4% | 3.7% | 4.1% | 5.2% | 5.3% |
| Farm Personal Income - current \$ a,d,4 | \$876 | \$670 | \$917 | \$1,030 | \$795 | \$963 | \$1,013 | \$1,078 | \$1,279 | \$1,240 |
| % of Total | 3.6% | 2.7% | 3.4% | 3.6% | 2.5% | 3.0% | 3.0% | 3.1% | 3.5% | 3.2% |
| % Change | 10.1% | (23.5%) | 36.9% | 12.3% | (22.8%) | 21.1% | 5.2% | 6.4% | 18.6% | (3.0%) |
| Total Idaho Personal Income - current \$ a,d,4 | \$24,174 | \$25,227 | \$27,066 | \$28,902 | \$31,177 | \$32,363 | \$33,585 | \$34,986 | \$36,942 | \$38,803 |
| % Change | 5.7% | 4.4% | 7.3% | 6.8% | 7.9% | 3.8% | 3.8% | 4.2% | 5.6% | 5.0% |
| Employment (thousands) ^{b,d,1} | 576 | 593 | 609 | 621 | 619 | 637 | 649 | 649 | 657 | 669 |
| % Change | 1.4% | 3.0% | 2.7% | 2.0% | (0.3%) | 2.9% | 1.9% | 0.0% | 1.2% | 1.8% |
| Average Unemployment Rate ¹ | 5.3% | 5.3% | 5.2% | 5.1% | 5.0% | 4.8% | 5.4% | 5.6% | 5.1% | 4.9% |
| Inflation (CPI) ^{d,4} | 2.9% | 2.3% | 1.5% | 2.2% | 3.4% | 2.8% | 1.6% | 2.3% | 1.2% | 1.8% |
| Population (millions) ^{b,4} | 1,203.2 | 1,228.4 | 1,252.3 | 1,275.7 | 1,299.1 | 1,320.7 | 1,341.0 | 1,354.1 | 1,367.8 | 1,381.5 |
| % Change | 2.2% | 2.1% | 1.9% | 1.9% | 1.8% | 1.7% | 1.5% | 1.0% | 1.0% | 1.0% |
| State Income Tax Collections ^{a,f,2,3} | \$808 | \$832 | \$899 | \$943 | \$1,092 | \$1,173 | \$919 | \$937 | | |
| % Change | 10.2% | 3.0% | 8.0% | 4.9% | 15.7% | 7.4% | (21.6%) | 2.0% | | |
| State Sales Tax Collections ^{a,f,2,3} | \$603 | \$625 | \$655 | \$702 | \$747 | \$775 | \$788 | \$836 | | |
| % Change | 4.7% | 3.7% | 4.9% | 7.1% | 6.5% | 3.7% | 1.6% | 6.2% | | |
| Local Property Taxes ^{a,e,2} | \$664 | \$715 | \$764 | \$807 | \$860 | \$914 | \$948 | \$1,021 | \$1,081 | |
| % Change | 1.9% | 7.6% | 6.8% | 5.7% | 6.6% | 6.3% | 3.8% | 7.7% | 6% | |
| Other State Tax Collections ^{a,f,2} | \$303 | \$338.8 | \$364.6 | \$386.1 | \$384.4 | \$406.5 | \$367.9 | \$358.7 | | |
| % Change | 5.4% | 11.9% | 7.6% | 5.9% | (0.4%) | 5.7% | (9.5%) | (2%) | | |
| Total Major State/Local Taxes ^{a,2,3} | \$2,377 | \$2,510 | \$2,682 | \$2,838 | \$3,083 | \$3,268 | \$3,023 | \$3,154 | | |
| % Change | 5.8% | 5.6% | 6.8% | 5.8% | 8.6% | 6.0% | (7.5%) | 4.3% | | |
| Revenues to General Fund ^{a,f,2,3} | \$1,392 | \$1,437 | \$1,533 | \$1,624 | \$1,821 | \$1,985 | \$1,690 | \$1,751 | | |
| % Change | 8.1% | 3.2% | 6.7% | 6.0% | 12.1% | 9.0% | (14.8%) | 3.6% | | |

* Other State Tax Collections include: Motor Fuels Tax, Cigarette & Tobacco Tax, Beer and Wine Tax, Insurance Premium Tax, Kilowatt Hour Tax, Liquor Dispensary Profits, Treasurer's Interest Earnings and Miscellaneous Receipts

Notes: ^a In Millions

^b In Thousands

^c Fiscal Year Quarterly Averages

^{d,e} Calendar Year, Previous Calendar Year

^f Fiscal Year Totals

Sources: ¹ Idaho Department of Labor

² State Tax Commission

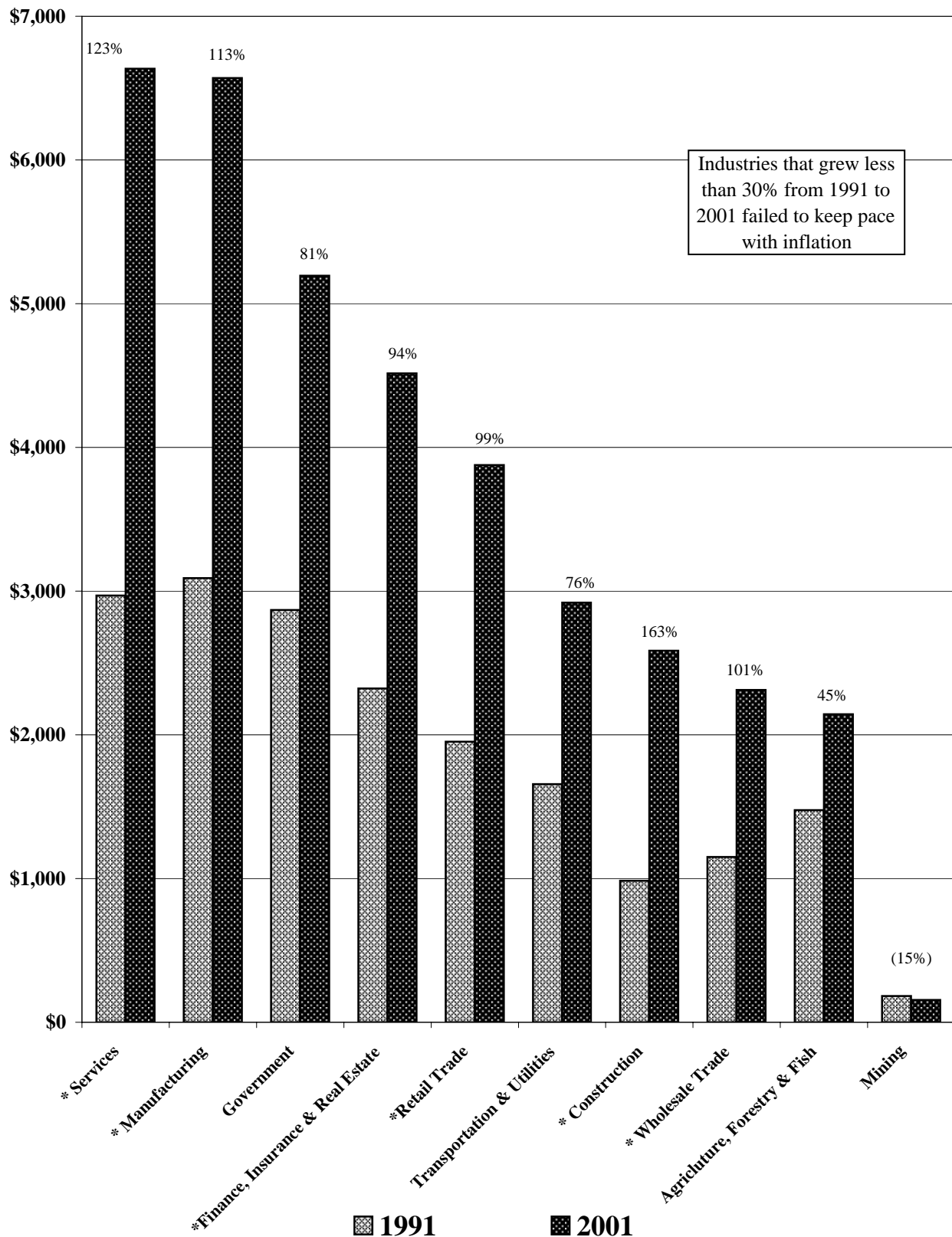
³ General Fund Revenue Book , Division of Financial Management

⁴ Idaho Economic Forecast , Division of Financial Management; October 2003

IDAHO GROSS STATE PRODUCT BY INDUSTRY

GROWTH TREND 1991 - 2001

(Millions of Current Dollars)



IDAHO GROSS STATE PRODUCT BY INDUSTRY

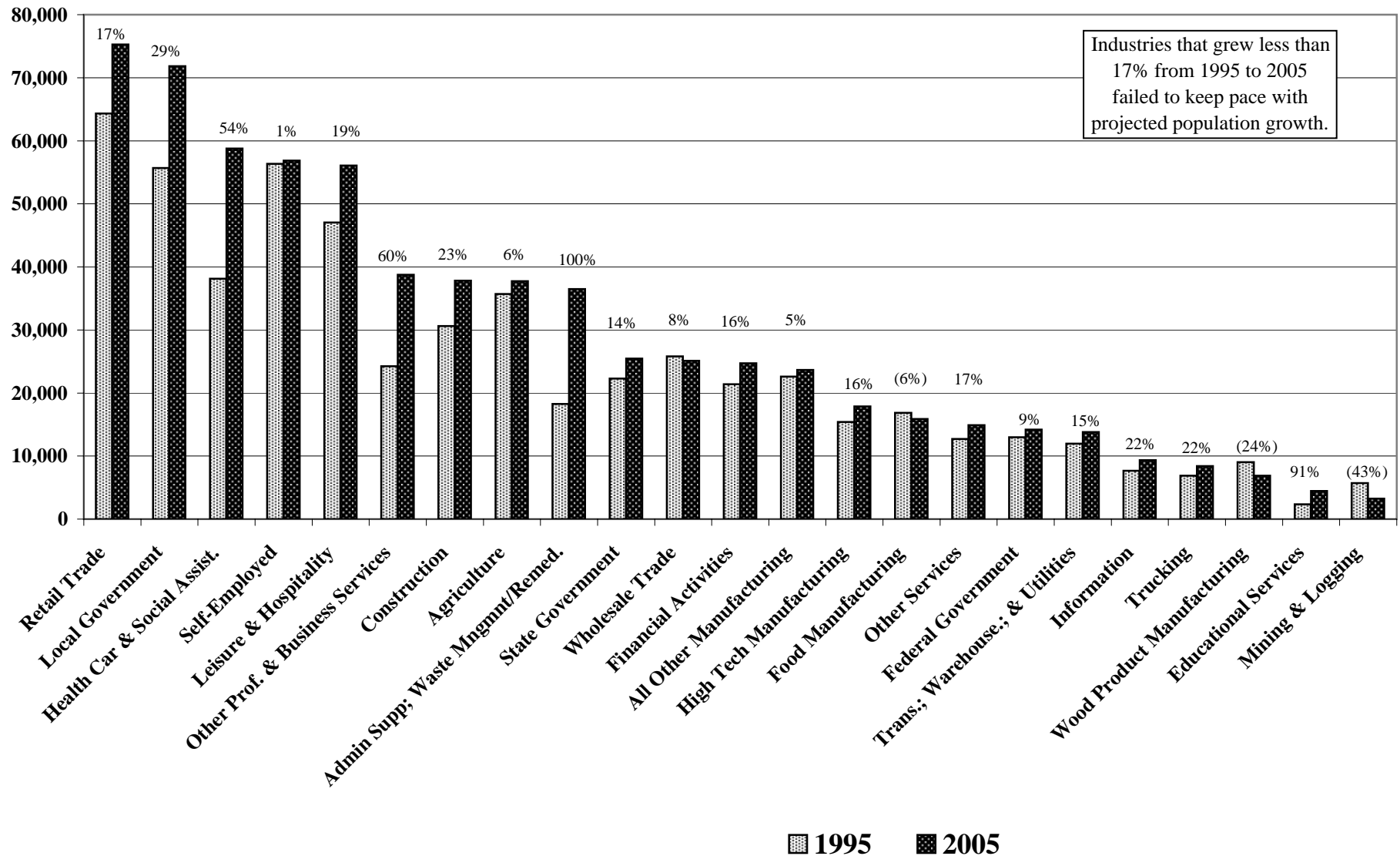
(millions of calendar year current dollars)

| | CY 1992 | | CY 1993 | | CY 1994 | | CY 1995 | | CY 1996 | | CY 1997 | | CY 1998 | | CY 1999 | | CY 2000 | | CY 2001 | |
|--|---------|------------|---------|------------|---------|------------|---------|------------|---------|------------|---------|------------|---------|------------|---------|------------|---------|------------|---------|------------|
| | \$ Amt | % of Total | \$ Amt | % of Total | \$ Amt | % of Total | \$ Amt | % of Total | \$ Amt | % of Total | \$ Amt | % of Total | \$ Amt | % of Total | \$ Amt | % of Total | \$ Amt | % of Total | \$ Amt | % of Total |
| Agriculture, forestry & fish | 1,551 | 7.6% | 1,762 | 7.7% | 1,523 | 6.1% | 1,614 | 5.9% | 1,795 | 6.4% | 1,621 | 5.5% | 1,770 | 5.7% | 1,776 | 5.2% | 1,870 | 5.0% | 2,143 | 5.8% |
| <i>% Change</i> | 5.1% | | 13.6% | | (13.6%) | | 6.0% | | 11.2% | | (9.7%) | | 9.2% | | 0.3% | | 5.3% | | 14.6% | |
| Mining | 167 | 0.8% | 150 | 0.7% | 189 | 0.8% | 258 | 1.0% | 219 | 0.8% | 186 | 0.6% | 182 | 0.6% | 188 | 0.6% | 169 | 0.5% | 156 | 0.4% |
| <i>% Change</i> | (8.7%) | | (10.2%) | | 26.0% | | 36.5% | | (15.1%) | | (15.1%) | | (2.2%) | | 3.3% | | (10.1%) | | (7.7%) | |
| Construction | 1,162 | 5.7% | 1,332 | 5.9% | 1,618 | 6.5% | 1,732 | 6.4% | 1,852 | 6.6% | 1,924 | 6.5% | 2,050 | 6.6% | 2,261 | 6.6% | 2,414 | 6.5% | 2,585 | 7.0% |
| <i>% Change</i> | 18.1% | | 14.6% | | 21.5% | | 7.0% | | 6.9% | | 3.9% | | 6.5% | | 10.3% | | 6.8% | | 7.1% | |
| Manufacturing | 3,363 | 16.5% | 4,189 | 18.4% | 4,884 | 19.6% | 5,969 | 22.0% | 5,661 | 20.1% | 5,954 | 20.3% | 6,147 | 19.7% | 7,344 | 21.6% | 8,468 | 22.9% | 6,570 | 17.8% |
| <i>% Change</i> | 8.8% | | 24.6% | | 16.6% | | 22.2% | | (5.2%) | | 5.2% | | 3.2% | | 19.5% | | 15.3% | | (22.4%) | |
| Transportation & Utilities | 1,770 | 8.7% | 2,008 | 8.8% | 2,183 | 8.8% | 2,306 | 8.5% | 2,383 | 8.5% | 2,391 | 8.1% | 2,516 | 8.1% | 2,667 | 7.8% | 2,874 | 7.8% | 2,919 | 7.9% |
| <i>% Change</i> | 6.8% | | 13.4% | | 8.7% | | 5.6% | | 3.3% | | 0.3% | | 5.2% | | 6.0% | | 7.8% | | 1.6% | |
| Wholesale Trade | 1,248 | 6.1% | 1,333 | 5.9% | 1,542 | 6.2% | 1,597 | 5.9% | 1,736 | 6.2% | 1,888 | 6.4% | 2,029 | 6.5% | 2,183 | 6.4% | 2,277 | 6.1% | 2,312 | 6.3% |
| <i>% Change</i> | 8.4% | | 6.8% | | 15.7% | | 3.6% | | 8.7% | | 8.8% | | 7.5% | | 7.6% | | 4.3% | | 1.5% | |
| Retail Trade | 2,141 | 10.5% | 2,317 | 10.2% | 2,555 | 10.3% | 2,593 | 9.5% | 2,783 | 9.9% | 2,979 | 10.1% | 3,217 | 10.3% | 3,481 | 10.2% | 3,632 | 9.8% | 3,877 | 10.5% |
| <i>% Change</i> | 9.7% | | 8.2% | | 10.3% | | 1.5% | | 7.3% | | 7.0% | | 8.0% | | 8.2% | | 4.3% | | 6.7% | |
| Finance, Insurance, & Real Estate | 2,586 | 12.7% | 2,823 | 12.4% | 3,024 | 12.1% | 3,266 | 12.0% | 3,466 | 12.3% | 3,557 | 12.1% | 3,900 | 12.5% | 4,018 | 11.8% | 4,306 | 11.6% | 4,515 | 12.2% |
| <i>% Change</i> | 11.3% | | 9.2% | | 7.1% | | 8.0% | | 6.1% | | 2.6% | | 9.6% | | 3.0% | | 7.2% | | 4.9% | |
| Services | 3,292 | 16.2% | 3,579 | 15.7% | 3,902 | 15.7% | 4,199 | 15.5% | 4,433 | 15.8% | 4,807 | 16.4% | 5,145 | 16.5% | 5,545 | 16.3% | 6,180 | 16.7% | 6,635 | 18.0% |
| <i>% Change</i> | 10.8% | | 8.7% | | 9.0% | | 7.6% | | 5.6% | | 8.4% | | 7.0% | | 7.8% | | 11.5% | | 7.4% | |
| Government | 3,074 | 15.1% | 3,264 | 14.3% | 3,473 | 14.0% | 3,621 | 13.3% | 3,773 | 13.4% | 4,080 | 13.9% | 4,281 | 13.7% | 4,562 | 13.4% | 4,842 | 13.1% | 5,195 | 14.1% |
| <i>% Change</i> | 7.2% | | 6.2% | | 6.4% | | 4.3% | | 4.2% | | 8.1% | | 4.9% | | 6.6% | | 6.1% | | 7.3% | |
| Total Gross State Product | 20,354 | 100% | 22,757 | 100% | 24,893 | 100% | 27,155 | 100% | 28,101 | 100% | 29,387 | 100% | 31,237 | 100% | 34,025 | 100% | 37,032 | 100% | 36,907 | 100% |
| <i>% Change</i> | 9.1% | | 11.8% | | 9.4% | | 9.1% | | 3.5% | | 4.6% | | 6.3% | | 8.9% | | 8.8% | | (0.3%) | |

Source: U.S. Department of Commerce, Bureau of Economic Analysis

PROJECTED TEN YEAR EMPLOYMENT GROWTH TRENDS BY INDUSTRY

(Thousands of Employees)



EMPLOYMENT GROWTH TRENDS AND AVERAGE ANNUAL PAY BY INDUSTRY

One, Five, and Ten Year Change Comparisons

| Employment | | | | | Annual Pay | | | | |
|---|------------------------------------|-----------------------|----------------------|-----------------------|---|------------------|-----------------------|-----------------------|---|
| | | FY 2003 % Change Over | | | | | FY 2003 % Change Over | | |
| Industry | Projected FY 2003 Employment | 1 Year (2002) | 5 Years (1998-03) | 10 Years (1993-03) | Projected FY 2003 Average Annual Pay | 1 Year (2002) | 5 Years (1998-03) | 10 Years (1993-03) | Calendar Year Earnings 2000 ^d (Millions) |
| Retail Trade | 114,501 | 2.1% | 14.0% | 38.8% | \$16,736 | (1.5%) | 14.8% | 35.3% | \$2,160 |
| Other Services | 79,162 | 2.3% | 17.8% | 53.9% | \$25,896 | (1.4%) | 16.1% | 32.5% | \$2,622 |
| Local Government | 66,920 | 1.7% | 15.1% | 35.7% | \$26,585 | 0.9% | 20.2% | 44.4% | \$1,851 |
| Self-Employed | 56,066 | 0.9% | 12.5% | 16.1% | NA | NA | NA | NA | NA |
| Health Services | 40,658 | 4.0% | 23.4% | 57.0% | \$30,958 | 0.5% | 8.0% | 28.4% | \$1,574 |
| Construction | 39,018 | 2.9% | 22.4% | 69.2% | \$32,437 | 1.3% | 21.3% | 30.6% | \$1,746 |
| Total Agriculture ^b | 35,103 | 0.7% | 3.5% | 13.4% | NA | NA | NA | NA | \$1,235 |
| Agriculture ^a | 14,451 | 2.3% | 15.1% | 28.2% | \$20,590 | 4.6% | 20.4% | 42.1% | NA |
| Business Services | 34,870 | 9.1% | 66.0% | 188.7% | \$19,045 | (3.0%) | 13.6% | 27.0% | \$876 |
| Wholesale Trade | 30,676 | 0.4% | 1.0% | 23.8% | \$34,636 | (1.2%) | 26.1% | 50.9% | \$1,211 |
| State Government | 25,445 | 2.0% | 10.1% | 18.9% | \$29,074 | (1.3%) | 5.0% | 22.9% | \$952 |
| Computers & Electronics | 24,343 | 2.9% | 5.9% | 57.5% | \$55,392 | (3.1%) | 30.1% | 65.3% | \$1,207 |
| Fin. Ins. & Real Estate | 22,301 | 0.4% | 7.3% | 21.6% | \$34,994 | 1.9% | 17.3% | 45.7% | \$1,115 |
| All Other Manufacturing | 21,886 | 0.8% | 2.1% | 11.3% | \$34,186 | (0.2%) | 17.2% | 27.5% | \$1,516 |
| Trans; Comm; Utilities | 18,093 | 5.5% | 32.5% | 64.8% | \$34,329 | (2.5%) | 6.7% | 20.8% | \$955 |
| Food Processing | 17,332 | 0.0% | 0.1% | (4.7%) | \$29,576 | (1.1%) | 4.9% | 35.7% | \$550 |
| Federal Government | 13,053 | (1.4%) | 1.5% | (3.7%) | \$42,235 | (0.6%) | 15.1% | 44.9% | \$1,069 |
| Trucking | 10,843 | 2.7% | 13.7% | 40.9% | \$26,847 | 0.0% | 5.3% | 18.5% | \$431 |
| Lumber & Wood Products | 9,891 | (5.9%) | (29.1%) | (30.1%) | \$40,967 | 5.2% | 26.4% | 49.1% | \$847 |
| Mining | 1,802 | (8.9%) | (39.1%) | (23.3%) | \$42,782 | (2.8%) | 10.6% | 26.1% | \$204 |
| TOTAL (All industries)^c | 661,963 | 2.1% | 13.3% | 35.1% | \$27,082 | (0.9%) | 14.5% | 34.4% | \$22,121 |

Notes: ^a Monthly average number of workers whose employers are covered by Idaho's Unemployment Insurance Law. Average Annual Pay data is FY 2002.

^b Represents total agriculture employment. Average annual pay is not available for non-covered employees.

^c Annual Average Pay data includes wages for covered agriculture only and is not available for Self-employed.

^d Largest component of Personal Income. Bureau of Economic Analysis, U.S. Dept. of Commerce, Sept., 1999.

^e Includes only the actual extraction of minerals. Mineral processing employment is included within the numbers for manufacturing.

Source: Idaho Department of Labor, Public Affairs

Economic Outlook and Revenue Assessment Committee

EMPLOYEE GROWTH TRENDS BY SIZE OF FIRM

(2nd Quarter 2003 Compared to 2nd Quarter 1998)

| Size of Firm Data as of 2nd Quarter 2003 | | | | | | | | | | |
|---|------------------------|-------------------------------|------------------------|-------------------------|-------------------------------|-----------------------------|---------------------|-------------------------------|---------------------------|-------------------------------|
| Size of Firm by Number of Employees | Number of Employers | Percent Change from '98 | Number of Employees | % of Total Employees | Percent Change from '98 | Total Wages (\$millions) | % of Total Wages | Percent Change from '98 | Average Annual Wage | Percent Change from '98 |
| 0 - 49 | 47,253 | 14.5% | 289,983 | 50.2% | 7.6% | \$1,805.0 | 44.6% | 27.0% | \$24,899 | 18.0% |
| 50 - 99 | 1,228 | 11.8% | 82,036 | 14.2% | 12.1% | \$530.6 | 13.1% | 28.6% | \$25,873 | 14.7% |
| 100 - 249 | 558 | 4.9% | 80,140 | 13.9% | 5.2% | \$542.3 | 13.4% | 24.1% | \$27,068 | 18.0% |
| 250 - 499 | 129 | 50.0% | 44,693 | 7.7% | 54.2% | \$326.3 | 8.1% | 62.1% | \$29,207 | 5.2% |
| 500 - 999 | 47 | (13.0%) | 30,985 | 5.4% | (16.2%) | \$268.8 | 6.6% | (3.3%) | \$34,697 | 15.4% |
| 1000 + | 23 | 35.3% | 50,224 | 8.7% | 22.1% | \$569.7 | 14.1% | 41.3% | \$45,369 | 15.8% |
| Total | 49,238 | 14.4% | 578,061 | 100.0% | 9.9% | \$4,042.7 | 100.0% | 28.2% | \$27,974 | 16.6% |

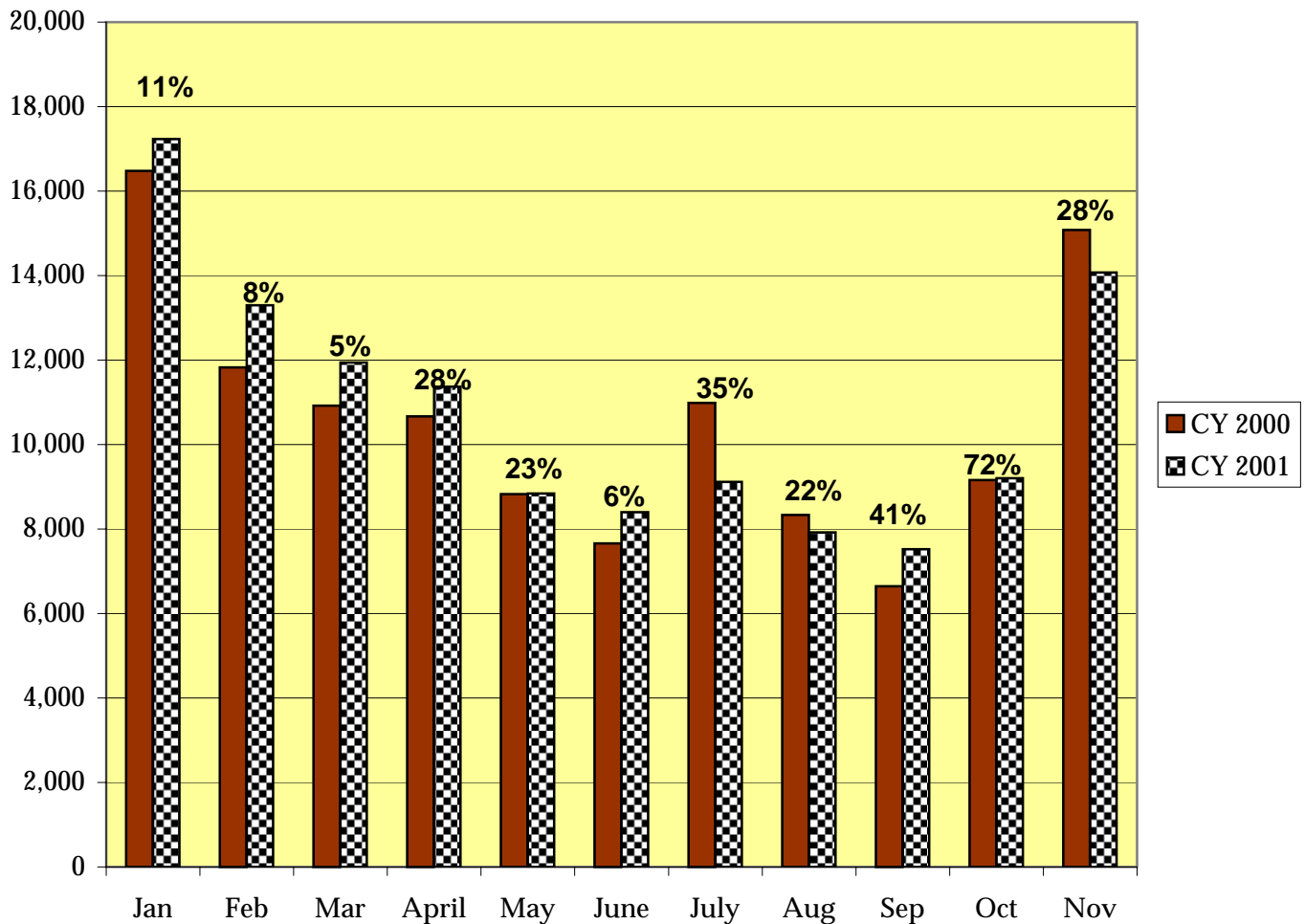
| Size of Firm Data as of 2nd Quarter 1998 | | | | | | | | | | |
|---|------------------------|--|------------------------|-------------------------|--|-----------------------------|---------------------|--|---------------------------|--|
| Size of Firm by Number of Employees | Number of Employers | | Number of Employees | % of Total Employees | | Total Wages (\$millions) | % of Total Wages | | Average Annual Wage | |
| 0 - 49 | 41,253 | | 269,416 | 51.2% | | \$1,421.7 | 45.1% | | \$21,108 | |
| 50 - 99 | 1,098 | | 73,203 | 13.9% | | \$412.7 | 13.1% | | \$22,551 | |
| 100 - 249 | 532 | | 76,186 | 14.5% | | \$437.0 | 13.9% | | \$22,945 | |
| 250 - 499 | 86 | | 28,988 | 5.5% | | \$201.3 | 6.4% | | \$27,771 | |
| 500 - 999 | 54 | | 36,959 | 7.0% | | \$277.9 | 8.8% | | \$30,075 | |
| 1000 + | 17 | | 41,140 | 7.8% | | \$403.0 | 12.8% | | \$39,188 | |
| Total | 43,040 | | 525,892 | 100.0% | | \$3,153.6 | 100.0% | | \$23,987 | |

Notes: Annual data for Average Annual wage not available. Numbers reflect the first quarter data multiplied by four.

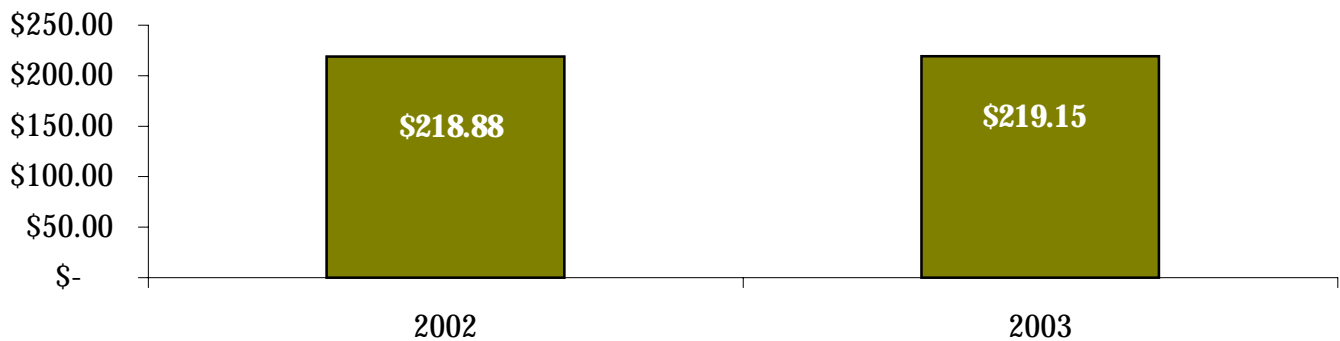
Source: Idaho Department of Labor, Report of Covered Employment and Wages, January 6, 2004

Recent Trends in Unemployment Insurance Claims

Initial Unemployment Insurance Claims, by month



Average Benefits Paid Per Weeks Claimed



Source: Idaho Department of Labor

Annual Average Unemployment Rates by County

| County | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004* | 2005* |
|-----------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Ada | 3.3 | 3.2 | 3.1 | 3.3 | 3.0 | 3.3 | 4.4 | 4.7 | 4.5 | 4.8 |
| Adams | 14.3 | 14.4 | 14.6 | 14.9 | 13.0 | 13.8 | 12.9 | 13.9 | 12.4 | 11.6 |
| Bannock | 5.4 | 5.5 | 4.9 | 5.3 | 5.0 | 4.8 | 5.8 | 5.2 | 4.7 | 4.6 |
| Bear Lake | 5.0 | 4.6 | 4.5 | 4.6 | 5.8 | 5.0 | 5.1 | 5.2 | 4.7 | 4.7 |
| Benewah | 11.5 | 10.3 | 11.8 | 12.6 | 12.4 | 10.6 | 10.4 | 9.8 | 8.5 | 7.7 |
| Bingham | 5.3 | 5.0 | 4.9 | 5.1 | 4.6 | 4.6 | 4.2 | 4.4 | 3.8 | 3.5 |
| Blaine | 4.1 | 4.9 | 3.9 | 3.7 | 3.3 | 2.9 | 3.7 | 4.0 | 3.6 | 3.5 |
| Boise | 5.9 | 6.8 | 5.9 | 7.6 | 7.1 | 5.0 | 5.5 | 6.6 | 6.1 | 6.1 |
| Bonner | 9.3 | 8.8 | 8.2 | 9.5 | 9.0 | 8.4 | 8.2 | 7.5 | 6.6 | 6.2 |
| Bonneville | 4.1 | 3.9 | 3.6 | 3.6 | 3.4 | 3.4 | 3.4 | 3.4 | 3.0 | 2.9 |
| Boundary | 9.5 | 8.9 | 9.0 | 9.2 | 8.6 | 9.1 | 7.7 | 8.5 | 7.5 | 7.0 |
| Butte | 4.7 | 4.8 | 4.2 | 4.0 | 3.7 | 3.9 | 3.8 | 4.9 | 4.5 | 4.5 |
| Camas | 4.4 | 4.5 | 3.5 | 4.3 | 4.0 | 4.9 | 3.8 | 6.9 | 7.2 | 8.2 |
| Canyon | 5.3 | 5.5 | 5.0 | 4.8 | 4.5 | 5.0 | 6.4 | 6.8 | 6.5 | 6.7 |
| Caribou | 6.5 | 6.2 | 5.9 | 6.1 | 6.0 | 5.8 | 6.9 | 7.3 | 6.9 | 6.9 |
| Cassia | 6.2 | 7.0 | 7.0 | 6.8 | 6.2 | 5.6 | 6.0 | 6.4 | 5.7 | 5.3 |
| Clark | 3.6 | 4.3 | 3.8 | 3.5 | 4.8 | 4.3 | 4.4 | 4.8 | 4.4 | 4.4 |
| Clearwater | 11.9 | 12.4 | 12.8 | 13.4 | 14.3 | 15.1 | 12.8 | 9.9 | 8.5 | 7.6 |
| Custer | 6.1 | 7.0 | 8.6 | 8.1 | 7.1 | 7.6 | 7.6 | 6.4 | 5.3 | 4.7 |
| Elmore | 6.1 | 6.3 | 5.9 | 6.5 | 6.1 | 6.1 | 7.2 | 6.9 | 6.4 | 6.4 |
| Franklin | 4.4 | 4.1 | 3.5 | 3.5 | 3.9 | 4.0 | 4.0 | 3.4 | 2.9 | 2.7 |
| Fremont | 7.9 | 7.8 | 7.0 | 6.9 | 7.0 | 6.5 | 5.6 | 5.7 | 4.5 | 4.4 |
| Gem | 7.1 | 6.8 | 6.9 | 6.9 | 5.8 | 8.0 | 8.9 | 7.5 | 12.4 | 6.9 |
| Gooding | 4.2 | 4.2 | 3.8 | 3.6 | 3.9 | 3.5 | 3.5 | 3.6 | 4.7 | 2.9 |
| Idaho | 11.1 | 10.9 | 10.6 | 10.7 | 10.2 | 9.8 | 9.2 | 8.5 | 4.7 | 6.6 |
| Jefferson | 4.7 | 4.4 | 4.3 | 4.4 | 3.9 | 3.7 | 3.7 | 3.7 | 8.5 | 2.9 |
| Jerome | 4.3 | 4.7 | 4.5 | 4.5 | 4.5 | 3.8 | 3.9 | 4.1 | 3.8 | 3.3 |
| Kootenai | 7.9 | 8.5 | 7.8 | 8.0 | 7.4 | 8.2 | 7.9 | 7.1 | 3.6 | 5.8 |
| Latah | 3.2 | 3.6 | 3.4 | 3.3 | 3.4 | 3.6 | 3.4 | 3.2 | 6.1 | 2.6 |
| Lemhi | 8.2 | 9.2 | 8.5 | 8.0 | 9.0 | 7.6 | 6.9 | 6.6 | 6.6 | 4.9 |
| Lewis | 7.2 | 7.7 | 7.4 | 6.8 | 7.7 | 7.7 | 6.2 | 3.9 | 3.0 | 2.6 |
| Lincoln | 4.8 | 5.2 | 5.0 | 5.4 | 4.9 | 4.0 | 5.1 | 4.9 | 7.5 | 4.2 |
| Madison | 3.2 | 3.3 | 2.8 | 2.6 | 2.5 | 2.0 | 1.8 | 1.8 | 4.5 | 1.2 |
| Minidoka | 7.1 | 8.2 | 8.0 | 7.6 | 7.2 | 6.4 | 7.0 | 8.0 | 7.2 | 6.8 |
| Nez Perce | 3.5 | 3.6 | 3.7 | 3.9 | 4.2 | 4.2 | 3.8 | 3.6 | 6.5 | 3.0 |
| Oneida | 3.1 | 3.5 | 3.6 | 3.9 | 3.6 | 3.6 | 4.0 | 3.9 | 6.9 | 3.3 |
| Owyhee | 3.0 | 2.8 | 2.7 | 4.4 | 4.2 | 4.5 | 4.7 | 2.3 | 5.7 | 2.1 |
| Payette | 7.0 | 7.9 | 6.7 | 7.4 | 6.9 | 8.4 | 8.9 | 9.3 | 4.4 | 8.9 |
| Power | 6.2 | 6.3 | 5.7 | 7.2 | 7.0 | 7.2 | 8.1 | 9.2 | 8.5 | 9.8 |
| Shoshone | 10.0 | 10.4 | 11.1 | 11.6 | 11.1 | 12.4 | 10.2 | 11.0 | 5.3 | 9.5 |
| Teton | 4.7 | 4.8 | 3.6 | 3.5 | 3.1 | 2.5 | 3.6 | 3.9 | 6.4 | 3.6 |
| Twin Falls | 4.5 | 4.6 | 4.7 | 4.9 | 4.4 | 4.1 | 4.0 | 4.0 | 2.9 | 3.2 |
| Valley | 9.3 | 10.0 | 9.3 | 9.3 | 7.8 | 8.3 | 8.6 | 8.3 | 4.9 | 6.8 |
| Washington | 8.1 | 8.2 | 7.0 | 8.4 | 8.6 | 8.9 | 9.3 | 10.5 | 6.9 | 10.4 |
| | | | | | | | | | | |
| Rural Counties | 6.6 | 6.8 | 6.4 | 6.7 | 6.4 | 6.2 | 6.2 | 6.1 | 5.4 | 5.2 |
| Urban Counties | 4.5 | 4.6 | 4.3 | 4.5 | 4.1 | 4.4 | 5.1 | 5.0 | 4.7 | 4.7 |
| State of Idaho | 5.2 | 5.3 | 5.0 | 5.2 | 4.9 | 4.9 | 5.8 | 5.4 | 4.9 | 4.9 |

* Projected

SOURCE: Research & Analysis and Public Affairs

Idaho Department of Labor

January 5, 2004

Economic Outlook and Revenue Assessment Committee

HISTORY OF SALES TAX COLLECTIONS AND DISTRIBUTIONS

(\$ THOUSANDS)

| | | | DISTRIBUTIONS | | | | | | | | General Fund percent of collections. | Memo: Property Tax Relief |
|------|--------|----------------------|---------------|-----------------|---------------------------|--------------------|-----------------------|----------------------|--------------------|-------------------------|--|---------------------------------|
| Year | | Gross Collections | Refunds | General Fund | Perm. Building Fund | Revenue Sharing | Alloc. to Counties | Pollution Control | Circuit Breaker | Misc. Distrib. | | |
| FY84 | Actual | 241,838.4 | 596.2 | 188,422.1 | 500.0 | | 16,192.2 | | | 36,127.9 ^{1,2} | 78.1% | |
| FY85 | Actual | 238,544.3 | 449.7 | 200,026.6 | 500.0 | 14,876.1 | 17,851.5 | 4,800.0 | | 40.4 ³ | 84.0% | |
| FY86 | Actual | 250,490.1 | 516.8 | 211,564.2 | 500.0 | 15,036.7 | 18,044.1 | 4,800.0 | | 28.3 ³ | 84.6% | |
| FY87 | Actual | 297,892.0 | 538.4 | 259,358.6 | 500.0 | 14,853.3 | 17,827.1 | 4,800.0 | | 14.6 ³ | 87.2% | |
| FY88 | Actual | 311,382.5 | 672.5 | 258,762.1 | 500.0 | 24,084.5 | 18,637.1 | 4,800.0 | 3,890.1 | 36.2 ³ | 83.3% | |
| FY89 | Actual | 346,682.3 | 882.4 | 288,780.3 | 500.0 | 26,785.4 | 20,737.1 | 4,800.0 | 4,171.7 | 25.4 ³ | 83.5% | |
| FY90 | Actual | 383,096.0 | 1,664.0 | 319,290.7 | 500.0 | 29,540.7 | 22,870.2 | 4,800.0 | 4,335.5 | 94.9 ³ | 83.7% | |
| FY91 | Actual | 404,146.4 | 3,403.1 | 335,739.5 | 500.0 | 31,036.1 | 24,028.3 | 4,800.0 | 4,491.1 | 148.3 ³ | 83.8% | |
| FY92 | Actual | 435,715.5 | 1,799.1 | 364,323.0 | 500.0 | 33,612.2 | 26,022.6 | 4,800.0 | 4,606.1 | 52.5 ³ | 84.0% | |
| FY93 | Actual | 481,357.9 | 1,163.9 | 402,819.5 | 500.0 | 37,195.6 | 28,796.9 | 4,800.0 | 6,031.2 | 50.8 ³ | 83.9% | |
| FY94 | Actual | 541,503.5 | 1,739.0 | 452,684.8 | 500.0 | 41,789.3 | 32,353.2 | 4,800.0 | 7,504.3 | 132.9 ³ | 83.9% | |
| FY95 | Actual | 575,751.6 | 1,767.4 | 481,568.8 | 500.0 | 44,455.1 | 34,435.8 | 4,800.0 | 8,241.1 | (16.6) ³ | 83.9% | |
| FY96 | Actual | 602,573.1 | 2,114.2 | 503,756.8 (a) | 500.0 | 46,554.3 | 36,023.2 | 4,800.0 | 8,807.0 | 17.6 ³ | 83.9% | 40,757.1 |
| FY97 | Actual | 624,631.9 | 2,109.4 | 521,964.5 (a) | 500.0 | 48,240.6 | 37,347.6 | 4,800.0 | 9,609.0 | 60.7 ³ | 83.8% | 45,238.4 |
| FY98 | Actual | 655,182.6 | 2,023.6 | 547,208.2 (a) | 500.0 | 50,572.4 | 39,152.8 | 4,800.0 | 10,331.1 | 594.5 ³ | 83.8% | 50,400.4 |
| FY99 | Actual | 704,734.8 | 2,784.7 | 588,796.7 | 500.0 | 54,237.7 | 41,979.4 | 4,800.0 | 10,891.7 | 744.6 ³ | 83.9% | 54,618.9 |
| FY00 | Actual | 750,126.0 | 2,741.7 | 627,503.0 | 500.0 | 57,852.8 | 44,754.6 | 4,800.0 | 11,481.2 | 492.7 ³ | 84.0% | 57,400.0 |
| FY01 | Actual | 778,887.0 | 3,464.1 | 647,293.8 | 5,000.0 | 106,024.7 | | 4,800.0 | 11,711.3 | 593.1 ³ | 83.5% | 60,912.3 |
| FY02 | Actual | 791,623.5 | 4,103.4 | 657,119.2 | 5,000.0 | 108,500.4 | | 4,800.0 | 11,983.5 | 117.0 ³ | 83.4% | 64,594.7 |
| FY03 | Actual | 839,180.9 | 3,119.1 | 700,240.7 | 5,000.0 | 112,947.4 | | 4,800.0 | 12,787.1 | 286.6 ³ | 83.8% | 68,935.7 |

Notes: ¹ Social Security Trust, ² Public School Income, ³ Multi-State Tax Compact

(a) General Fund distribution has been restated to include the amounts diverted for public school property tax relief.

Source: *General Fund Revenue Book* for Fiscal Year 2004, Division of Financial Management

POPULATION BY COUNTY, 1990-2000

| County | 1990 Census | 2000 Census | Number Change 1990-2000 | Percent Change Annualized | Change in Proportion of Total (a) | |
|---------------|------------------|------------------|-------------------------------|---------------------------------|---|--------------|
| Ada | 205,775 | 300,904 | 95,129 | 3.9% | 2.81% | ↑ Gainers |
| Kootenai | 69,795 | 108,685 | 38,890 | 4.5% | 1.47% | |
| Canyon | 90,076 | 131,441 | 41,365 | 3.9% | 1.21% | |
| Bonner | 26,622 | 36,835 | 10,213 | 3.3% | 0.20% | |
| Boise | 3,509 | 6,670 | 3,161 | 6.6% | 0.17% | |
| Elmore | 21,205 | 29,130 | 7,925 | 3.2% | 0.14% | |
| Teton | 3,439 | 5,999 | 2,560 | 5.7% | 0.12% | |
| Blaine | 13,552 | 18,991 | 5,439 | 3.4% | 0.12% | |
| Camas | 727 | 991 | 264 | 3.1% | 0.00% | |
| Clark | 762 | 1,022 | 260 | 3.0% | 0.00% | |
| Gem | 11,844 | 15,181 | 3,337 | 2.5% | (0.00%) | ↓ Losers |
| Owyhee | 8,392 | 10,644 | 2,252 | 2.4% | (0.01%) | |
| Valley | 6,109 | 7,651 | 1,542 | 2.3% | (0.02%) | |
| Lincoln | 3,308 | 4,044 | 736 | 2.0% | (0.02%) | |
| Oneida | 3,492 | 4,125 | 633 | 1.7% | (0.03%) | |
| Franklin | 9,232 | 11,329 | 2,097 | 2.1% | (0.04%) | |
| Payette | 16,434 | 20,578 | 4,144 | 2.3% | (0.04%) | |
| Adams | 3,254 | 3,476 | 222 | 0.7% | (0.05%) | |
| Lewis | 3,516 | 3,747 | 231 | 0.6% | (0.06%) | |
| Gooding | 11,633 | 14,155 | 2,522 | 2.0% | (0.06%) | |
| Boundary | 8,332 | 9,871 | 1,539 | 1.7% | (0.06%) | |
| Butte | 2,918 | 2,899 | (19) | (0.1%) | (0.07%) | |
| Custer | 4,133 | 4,342 | 209 | 0.5% | (0.07%) | |
| Washington | 8,550 | 9,977 | 1,427 | 1.6% | (0.08%) | |
| Benewah | 7,937 | 9,171 | 1,234 | 1.5% | (0.08%) | |
| Lemhi | 6,899 | 7,806 | 907 | 1.2% | (0.08%) | |
| Jerome | 15,138 | 18,342 | 3,204 | 1.9% | (0.09%) | |
| Bear Lake | 6,084 | 6,411 | 327 | 0.5% | (0.11%) | |
| Power | 7,086 | 7,538 | 452 | 0.6% | (0.12%) | |
| Caribou | 6,963 | 7,304 | 341 | 0.5% | (0.13%) | |
| Clearwater | 8,505 | 8,930 | 425 | 0.5% | (0.15%) | |
| Jefferson | 16,543 | 19,155 | 2,612 | 1.5% | (0.16%) | |
| Idaho | 13,768 | 15,511 | 1,743 | 1.2% | (0.17%) | |
| Fremont | 10,937 | 11,819 | 882 | 0.8% | (0.17%) | |
| Madison | 23,674 | 27,467 | 3,793 | 1.5% | (0.23%) | |
| Cassia | 19,532 | 21,416 | 1,884 | 0.9% | (0.29%) | |
| Shoshone | 13,931 | 13,771 | (160) | (0.1%) | (0.32%) | |
| Latah | 30,617 | 34,935 | 4,318 | 1.3% | (0.34%) | |
| Twin Falls | 53,580 | 64,284 | 10,704 | 1.8% | (0.35%) | |
| Minidoka | 19,361 | 20,174 | 813 | 0.4% | (0.36%) | |
| Nez Perce | 33,754 | 37,410 | 3,656 | 1.0% | (0.46%) | |
| Bingham | 37,583 | 41,735 | 4,152 | 1.1% | (0.51%) | |
| Bannock | 66,026 | 75,565 | 9,539 | 1.4% | (0.72%) | |
| Bonneville | 72,207 | 82,522 | 10,315 | 1.3% | (0.79%) | |
| TOTAL: | 1,006,734 | 1,293,953 | 287,219 | 2.5% | | |

(a) The percentage point change in each county's proportion of the total state population.

Source: U.S. Census

FEDERAL FUNDING TO STATE AGENCIES - 10 YEAR TREND

\$ Millions

| State Fiscal Year | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
|---------------------------------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|
| TYPE OF FEDERAL RECEIPTS | | | | | | | | | | |
| Highways | 95.6 | 129.8 | 103.1 | 134.2 | 123.0 | 135.3 | 160.8 | 180.5 | 175.5 | 205.7 |
| Health | 369.8 | 391.6 | 416.9 | 441.5 | 452.1 | 544.6 | 606.1 | 702.5 | 755.4 | 805.2 |
| Education | 85.5 | 91.1 | 93.0 | 93.2 | 98.7 | 105.1 | 124.1 | 134.1 | 149.8 | 164.2 |
| Employment Security (a) | 34.7 | 34.9 | 34.6 | 36.2 | 37.5 | 43.1 | 40.3 | 39.4 | 45.2 | 51.4 |
| Fish and Game | 19.3 | 19.8 | 18.5 | 18.8 | 20.2 | 20.0 | 22.8 | 19.1 | 22.8 | 26.3 |
| Other (b) | 52.5 | 53.2 | 49.8 | 58.6 | 71.0 | 66.0 | 73.2 | 98.7 | 116.3 | 111.3 |
| Disaster Relief (c) | | | 9.3 | 12.3 | 16.0 | 11.3 | 8.5 | 6.5 | 3.2 | 1.3 |
| Program Income (d) | 13.2 | 9.8 | 25.9 | 20.2 | 15.3 | 4.1 | 4.3 | 5.1 | 6.8 | 8.9 |
| Total Federal Receipts* | \$670.6 | \$730.2 | \$751.0 | \$815.0 | \$833.9 | \$929.5 | \$1040.1 | \$1185.9 | \$1275.0 | \$1374.3 |
| <i>% Change</i> | 6.8% | 8.9% | 2.9% | 8.5% | 2.3% | 11.5% | 11.9% | 14.0% | 7.5% | 7.8% |

*Detail may not add to Total due to Rounding

Note: The federal funding amounts above represent those reported by state agencies and monitored through the State Controller's data processing system and do not include federal monies received directly to local or federal agencies.

(a) Unemployment benefits.

(b) All federal receipts not otherwise coded.

(c) FEMA

(d) Other receipts derived from the program. Examples: Commission on Aging may charge small fee for meals, F&G charges for cabin rentals, etc.

Source: Idaho State Controller - DAFR 6930 - Report of Statewide Revenues & Expenditures. GL account 4100 - Revenue Sub-object 2015 - 2065.

PROPERTY TAXES - GROWTH TRENDS BY CLASS OF TAXPAYER

| | FY 2001 (TY 00) | | FY 2002 (TY 01) | | FY 2003 (TY 02) | | FY 2003 (TY 02) | |
|--|-----------------|------------|-----------------|------------|------------------|------------|------------------|------------|
| | Amount | % of Total | Amount | % of Total | Amount | % of Total | Amount | % of Total |
| Owner Occupied Residential | \$300.5 | 32.9% | \$315.4 | 33.3% | \$378.5 | 37.1% | \$427.7 | 39.6% |
| <i>% Change</i> | 7.9% | | 5.0% | | 20.0% | | 13.0% | |
| Business: | | | | | | | | |
| Non-owner Occupied Residential Property | \$209.1 | 22.9% | \$225.9 | 23.8% | \$210.5 | 20.6% | \$209.6 | 19.4% |
| <i>% Change</i> | 8.1% | | 8.0% | | (6.8%) | | (0.4%) | |
| Commercial/Industrial | \$286.9 | 31.4% | \$299.0 | 31.5% | \$319.2 | 31.3% | \$331.3 | 30.6% |
| <i>% Change</i> | 6.2% | | 4.2% | | 6.8% | | 3.8% | |
| Agricultural | \$55.3 | 6.0% | \$44.9 | 4.7% | \$45.0 | 4.4% | \$45.9 | 4.2% |
| <i>% Change</i> | 0.9% | | (18.8%) | | 0.2% | | 2.0% | |
| Operating (Utilities) | \$46.8 | 5.1% | \$48.7 | 5.1% | \$52.6 | 5.1% | \$51.7 | 4.8% |
| <i>% Change</i> | 0.4% | | 4.1% | | 8.0% | | (1.7%) | |
| Timber | \$13.4 | 1.5% | \$12.9 | 1.4% | \$12.4 | 1.2% | \$11.4 | 1.1% |
| <i>% Change</i> | (6.3%) | | (3.7%) | | (3.9%) | | (8.1%) | |
| Mining | \$2.2 | 0.2% | \$1.6 | 0.2% | \$3.2 | 0.3% | \$3.5 | 0.3% |
| <i>% Change</i> | (4.3%) | | (27.3%) | | 100.0% | | 9.4% | |
| Total Business | \$613.7 | 67.1% | \$633.0 | 66.7% | \$642.9 | 62.9% | \$653.4 | 60.4% |
| <i>% Change</i> | 5.5% | | 3.1% | | 1.6% | | 1.6% | |
| Grand Totals | \$914.2 | 100% | \$948.4 | 100% | \$1,021.4 | 100% | \$1,081.1 | 100% |
| <i>% Change</i> | 6.3% | | 3.7% | | 7.7% | | 5.8% | |

- Notes:**
1. All estimates in millions. All data is tax year: TY = Tax Year, January 1 - December 31; FY = State Fiscal Year, July 1 - June 30.
 2. Growth in property taxes is a component of new construction and market appreciation on existing property. The amount of each component cannot be determined from existing records.
 3. Owner-occupied and Non-Owner-occupied Residential methodologies changed significantly in FY 2003 (TY 02). Amounts in these categories cannot be compared consistently with amounts from prior years.
 4. Classification methodologies changed between FY02 & FY03, and again between FY03 & FY04, making change comparisons between these years less valid.

Source: Idaho State Tax Commission

RECONCILIATION - MAJOR TAX COLLECTIONS and DISTRIBUTIONS

Fiscal Years 2001, 2002, AND 2003

(Millions of Dollars)

| Source | Fiscal Year 2001 Distributed to | | | | Fiscal Year 2002 Distributed to | | | | Fiscal Year 2003 Distributed to | | | |
|--|------------------------------------|-----------------|-----------------------|--------------------|------------------------------------|-----------------|-----------------------|--------------------|------------------------------------|-----------------|-----------------------|--------------------|
| | Total | Local Funds | State Dedicated Funds | State General Fund | Total | Local Funds | State Dedicated Funds | State General Fund | Total | Local Funds | State Dedicated Funds | State General Fund |
| Income Tax <i>% Change</i> | 1,172.4 7.4% | | 6.9 7.4% | 1,165.5 7.4% | 919.1 (21.6%) | | 7.0 1.5% | 912.1 (21.7%) | 937.3 2.0% | | 6.3 (9.3%) | 930.9 2.1% |
| Sales Tax <i>% Change</i> | 775.4 3.8% | 117.7 3.2% | 10.4 79.4% | 647.3 3.2% | 787.5 1.6% | 120.5 2.3% | 9.9 (4.6%) | 657.1 1.5% | 836.1 6.2% | 125.7 4.4% | 10.1 1.7% | 700.2 6.6% |
| Cigarette & Tobacco Tax <i>% Change</i> | 28.0 (2.8%) | 4.5 (3.7%) | 11.5 (31.9%) | 12.0 65.1% | 28.3 1.2% | 4.5 0.6% | 11.5 0.4% | 12.3 2.2% | 29.5 4.1% | 4.6 3.6% | 11.9 3.4% | 12.9 5.0% |
| Beer & Wine Tax <i>% Change</i> | 6.2 0.9% | | 2.4 2.4% | 3.7 (0.1%) | 6.3 1.8% | | 2.5 2.7% | 3.8 1.3% | 6.4 2.8% | | 2.6 2.3% | 3.9 3.2% |
| Liquor Dispensary <i>% Change</i> | 20.3 2.0% | 12.3 12.9% | 3.1 (24.7%) | 4.9 0.0% | 21.1 4.0% | 13.1 6.6% | 3.1 0.0% | 4.9 0.0% | 23.2 9.8% | 15.2 15.8% | 3.1 0.0% | 4.9 0.0% |
| Insurance Premium Tax <i>% Change</i> | 55.9 20.3% | | | 55.9 20.3% | 55.4 (0.9%) | | | 55.4 (0.9%) | 59.5 7.4% | | | 59.5 7.4% |
| Highway Use Motor Fuels <i>% Change</i> | 204.9 (2.4%) | 74.9 (2.6%) | 130.0 (2.3%) | | 209.2 2.1% | 76.6 2.3% | 132.6 2.0% | | 208.7 (0.2%) | 76.6 0.0% | 132.1 (0.4%) | |
| Estate Tax <i>% Change</i> | 39.9 260.4% | 4.1 261.2% | | 35.8 | 8.5 (78.7%) | .9 (78.1%) | | 7.6 (78.8%) | 15.2 79.0% | 1.6 71.7% | | 13.6 79.9% |
| Other Taxes/Revenues (a) <i>% Change</i> | 86.7 14.1% | 14.0 8.9% | 13.2 (22.7%) | 59.5 29.2% | 65.0 (24.9%) | 12.2 (12.6%) | 15.7 19.1% | 37.1 (37.6%) | 55.1 (15.3%) | 13.9 13.7% | 16.8 6.7% | 24.4 (34.1%) |
| Total Major State Taxes <i>% Change</i> | 2,389.6 6.8% | 227.5 3.2% | 177.4 (9.3%) | 1,984.6 9.0% | 2,100.5 (12.1%) | 227.8 0.1% | 182.3 2.7% | 1,690.3 (14.8%) | 2,170.9 3.4% | 237.6 4.3% | 182.8 0.3% | 1,750.5 3.6% |
| Local Property Tax <i>% Change</i> | 914.2 6.3% | 914.2 6.3% | | | 948.4 3.7% | 948.4 3.7% | | | 1,021.4 7.7% | 1,021.4 7.7% | | |
| Major State and Local Taxes <i>% Change</i> | 3,303.8 6.7% | 1,141.7 5.7% | 177.4 (9.3%) | 1,984.6 9.0% | 3,048.9 (7.7%) | 1,176.2 3.0% | 182.3 2.7% | 1,690.3 (14.8%) | 3,192.3 4.7% | 1,259.0 7.0% | 182.8 0.3% | 1,750.5 3.6% |
| Allocation Percentage | 100.0% | 34.6% | 5.4% | 60.1% | 100.0% | 38.6% | 6.0% | 55.4% | 100.0% | 39.4% | 5.7% | 54.8% |

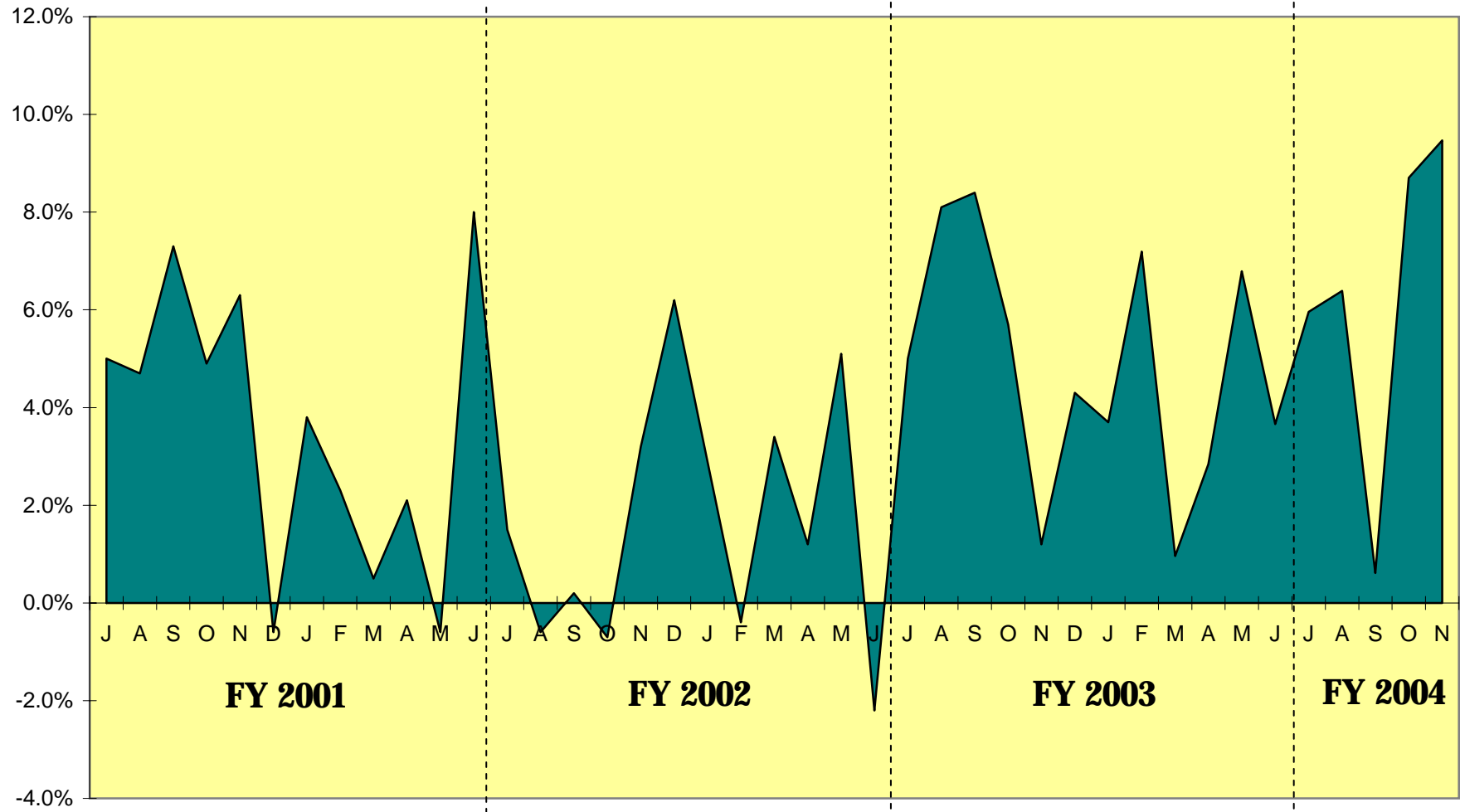
(a) Other Taxes/Revenues include: Kilowatt Hour Tax, Mine License Tax, State Treasurer's Interest, Abandoned Property, Idaho Travel and Convention, Boise Auditorium, Illegal Drug Tax, Car Company's Ad Valorem Tax, State Lottery and Miscellaneous Revenues.

Note1: This schedule includes state fiscal year taxes collected by the State Tax Commission, and other revenues that impact the General Fund. It also includes county treasurers' property tax charges for the previous calendar year. It does not include federal funds or dedicated funds not collected by the State Tax Commission.

Note2: Highway Use Motor Fuel taxes reflect gross revenues collected from gasoline tax and special fuel tax, minus refunds only. Local funds reflect 38% of net fuel tax to the Highway Distribution Account. State Dedicated Funds reflect 57% of the fuel tax to ITD, plus the 5% to ISP, plus the amounts to the State Tax Commission, Railroad Grade, and Parks & Recreation.

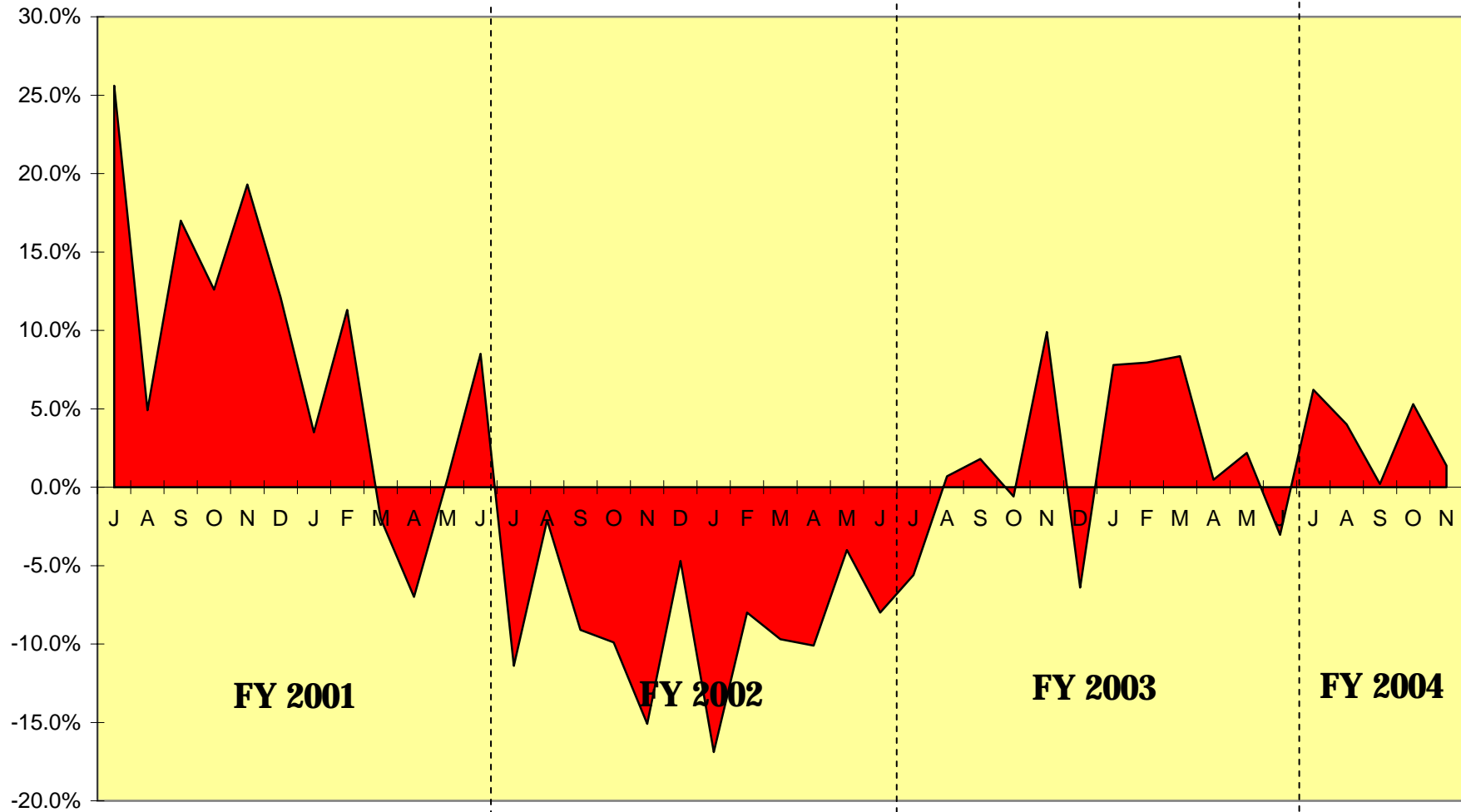
FY 2001 ~ FY 2004 Monthly Net Sales Tax Collections

year-over-year change ~ controlled for increase in Sales Tax rate



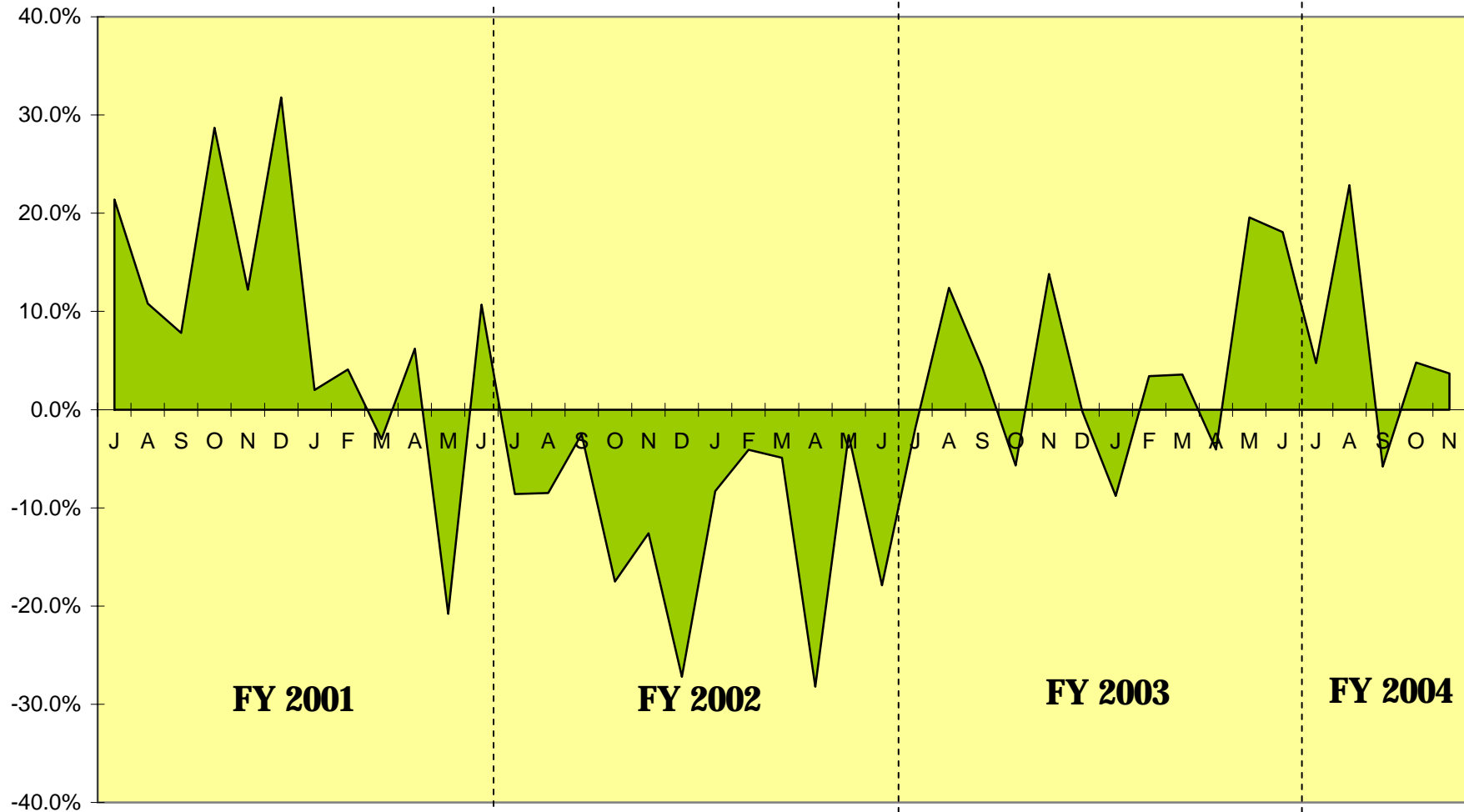
FY 2001 ~ FY 2004 Monthly Individual Income Tax Withholding

year-over-year change



FY 2001 ~ FY 2004 Monthly General Fund Revenues

year-over-year change ~ controlled for temporary tax increases



Idaho Agricultural Products

Idaho Gross Cash Receipts by Source

| Product | 1979 | 2000 | 2001 | 2002 |
|------------------------------------|----------------|----------------|----------------|----------------|
| Cattle & Calves | \$667 | \$757 | \$915 | \$976 |
| Milk | \$192 | \$762 | \$1,043 | \$918 |
| Potatoes | \$214 | \$539 | \$582 | \$706 |
| Barley, Corn, Hay, & Oats | \$171 | \$400 | \$351 | \$437 |
| Wheat | \$202 | \$298 | \$254 | \$294 |
| Sugar Beets | \$106 | \$212 | \$188 | \$204 |
| Miscellaneous Crops | \$71 | \$105 | \$82 | \$83 |
| Greenhouse & Nursery | \$9 | \$69 | \$66 | \$68 |
| Dry Beans, Peas, & Lentils | \$69 | \$44 | \$38 | \$49 |
| Onions | \$24 | \$36 | \$39 | \$38 |
| Trout* | - | \$38 | \$35 | \$30 |
| Miscellaneous Livestock* | \$6 | \$34 | \$35 | \$30 |
| Apples, Cherries, Peaches, & Plums | \$26 | \$24 | \$23 | \$23 |
| Sheep, Lambs, & Wool | \$28 | \$19 | \$15 | \$19 |
| Mint | \$6 | \$16 | \$14 | \$18 |
| Eggs | \$8 | \$13 | \$12 | \$12 |
| Hops | \$4 | \$9 | \$7 | \$9 |
| Sweet Corn for Processing | \$10 | \$9 | \$8 | \$7 |
| Hogs | \$9 | \$6 | \$7 | \$7 |
| TOTAL: | \$1,822 | \$3,390 | \$3,714 | \$3,928 |

Note: All figures in millions. Only feed crops included are those sold for cash. Amount of feed crops consumed by livestock on site, or sold to other Idaho farmers, is unknown.

** 1979 figures for Trout are included in Miscellaneous Livestock*

2002 Food Processing in Idaho

| Commodity | Percent Processed in Idaho |
|---------------------------|---|
| Potatoes | 58.6% (41.4% fresh, seed, or waste) |
| Sugar Beets | 90% |
| Barley (Malting) | 33-40% |
| Wheat | Less than 1% |
| Onions | 5% |
| Sweet Corn for Processing | 90% (one company) |
| Mint | 100% |
| Fruit | Virtually none |
| Milk | About 85% cheese and other manufactured dairy products, 15% is fluid grade. |
| Cattle, Sheep, Hogs | Impossible to determine due to cross-state movement. |

Note: The economic value of Idaho's agriculture improves as more processing of raw products is performed in-state. Farming can become more profitable as farmers are able to participate in the profits of processing, packaging, and distribution. This vertical integration allows farmers to spread their fixed costs out over larger operations and cooperatives, thereby achieving greater economies of scale.

Idaho Acres in Agricultural Production

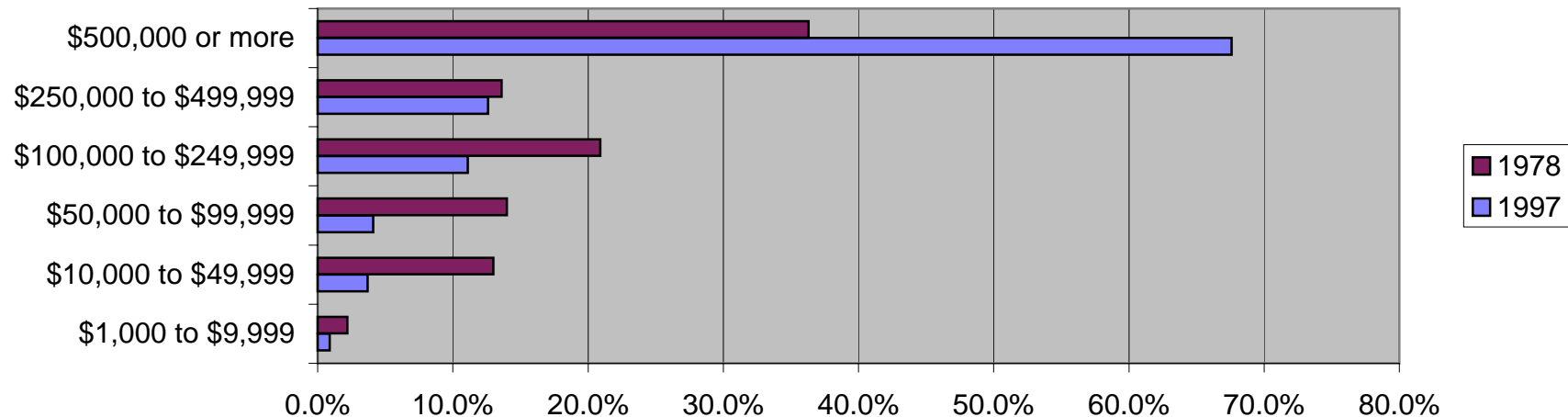
Impact of Development on Farmland in Selected Idaho Counties

| Acres (thousands) | 1964 | 1969 | 1974 | 1978 | 1982 | 1987 | 1992 | 1997 |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <u>State of Idaho</u> | | | | | | | | |
| Cropland Acres | 5,877,633 | 6,172,473 | 6,247,705 | 6,540,493 | 6,484,076 | 6,742,285 | 6,301,862 | 6,308,877 |
| % change | | 5.0% | 1.2% | 4.7% | -0.9% | 4.0% | -6.5% | 0.1% |
| Harvested Acres | 3,934,659 | 3,954,957 | 4,531,164 | 4,820,928 | 4,887,805 | 4,349,122 | 4,225,273 | 4,478,862 |
| % change | | 0.5% | 14.6% | 6.4% | 1.4% | -11.0% | -2.8% | 6.0% |
| <u>Ada County</u> | | | | | | | | |
| Cropland Acres | 111,118 | 122,289 | 118,242 | 113,859 | 108,519 | N/A | 99,890 | 89,540 |
| % change | | 10.1% | -3.3% | -3.7% | -4.7% | | -8.0% | -10.4% |
| Harvested Acres | 82,616 | 81,447 | 73,615 | 84,385 | 83,178 | 79,623 | 64,754 | 66,567 |
| % change | | -1.4% | -9.6% | 14.6% | -1.4% | -4.3% | -18.7% | 2.8% |
| <u>Canyon County</u> | | | | | | | | |
| Cropland Acres | 231,146 | 241,747 | 244,353 | 251,205 | 247,245 | 247,966 | 245,963 | 235,077 |
| % change | | 4.6% | 1.1% | 2.8% | -1.6% | 0.3% | -0.8% | -4.4% |
| Harvested Acres | 190,520 | 191,587 | 196,338 | 208,646 | 210,987 | 192,738 | 197,067 | 196,689 |
| % change | | 0.6% | 2.5% | 6.3% | 1.1% | -8.6% | 2.2% | -0.2% |

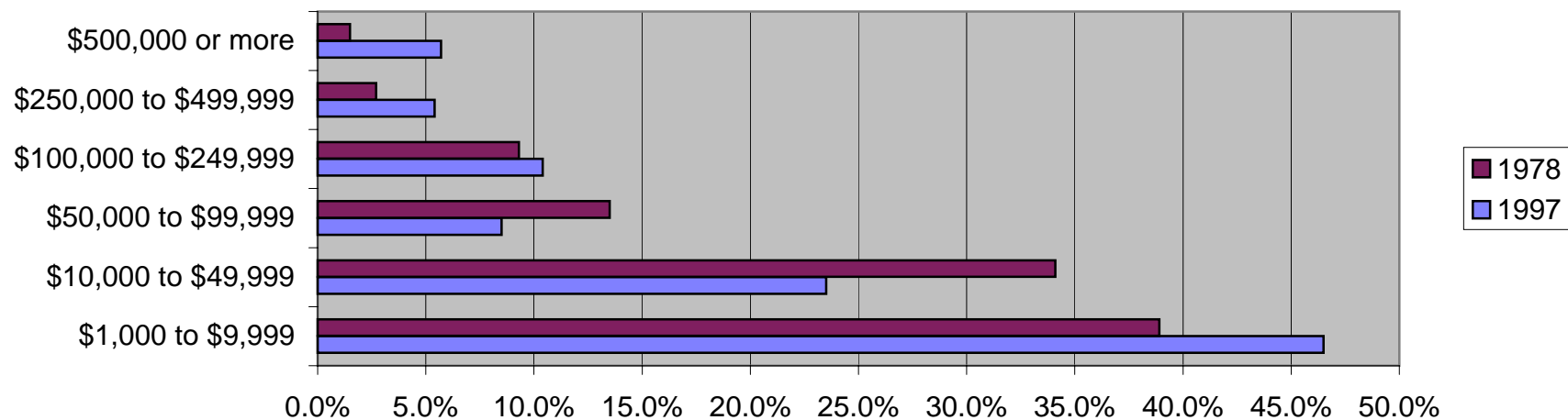
Source: USDA Statistical Information Service (based on agriculture census done every five years)

Farm Profiles - 1978 to 1997

Percent of Total Gross Receipts by Size of Operation

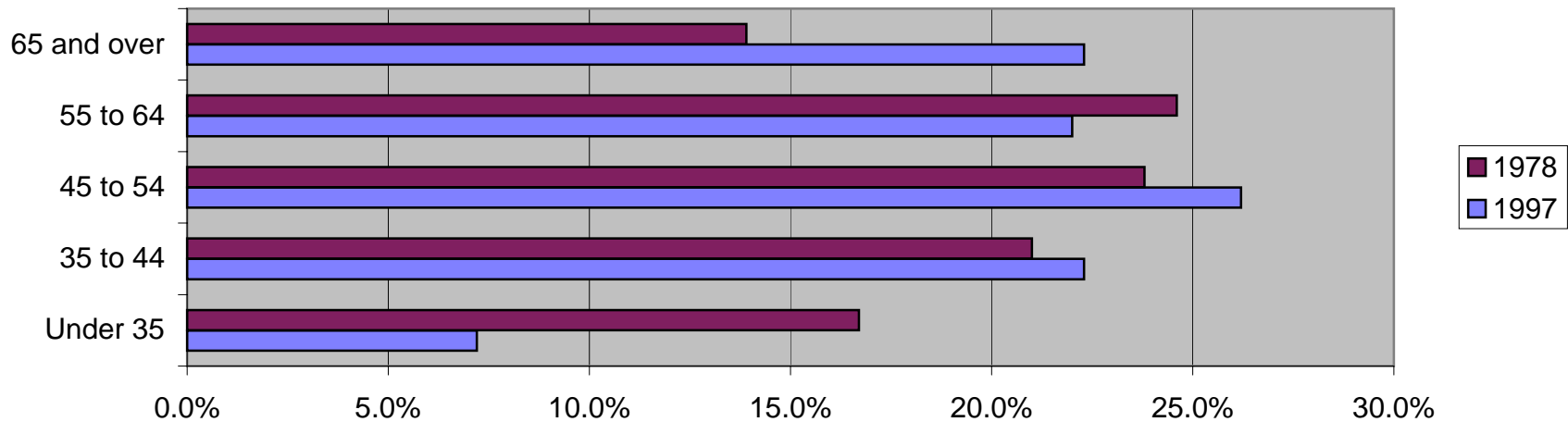


Percent of Farms by Size of Operation

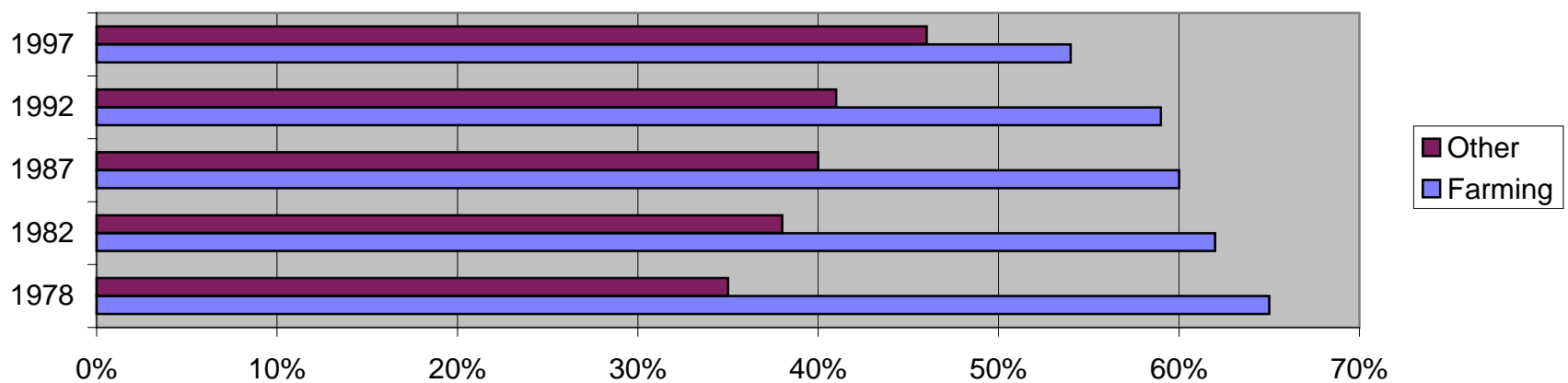


Farmer Profiles - 1978 to 1997

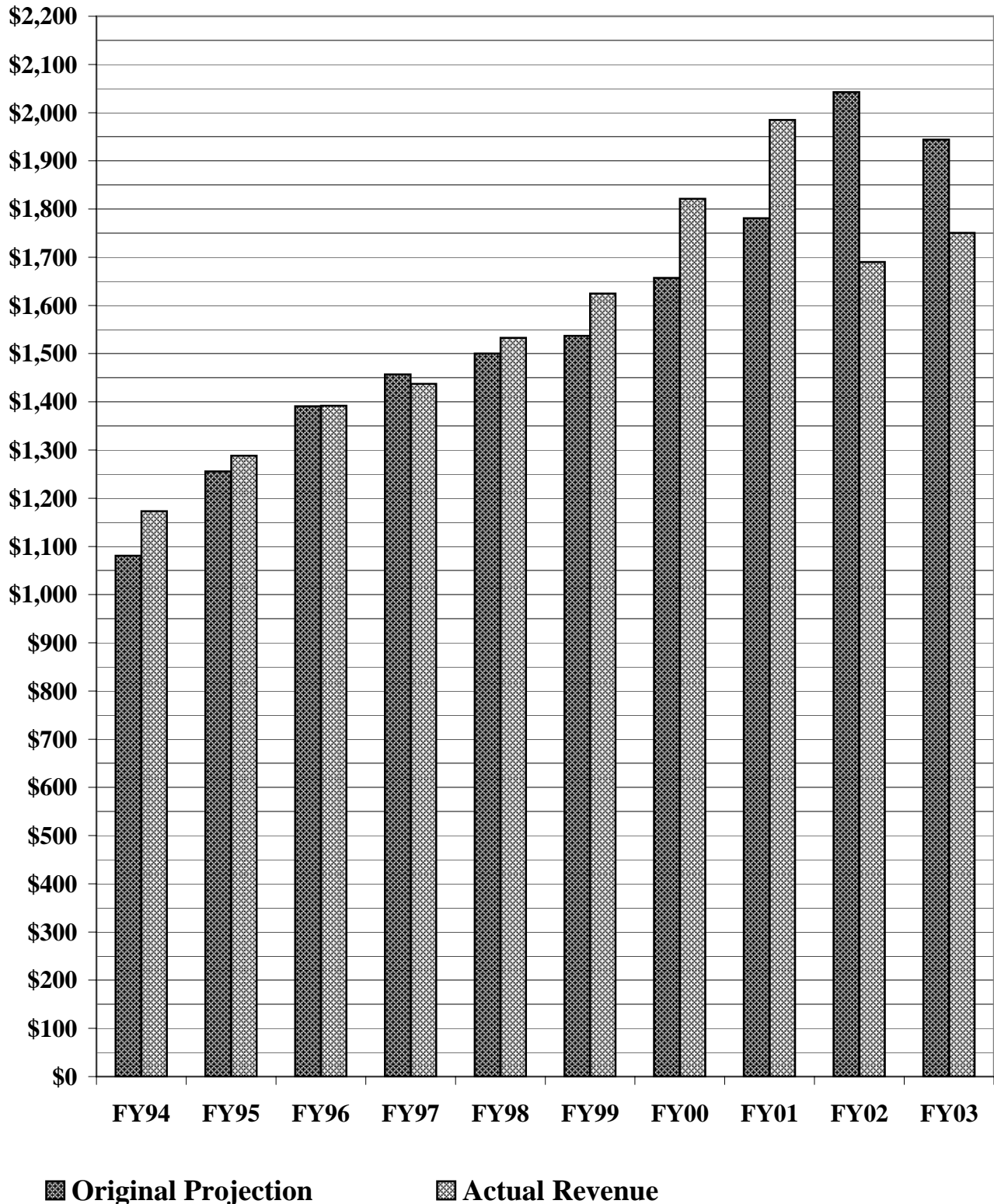
Farm Operators by Age Group - 1978 and 1997



Farm Operators by Principal Occupation 1978 to 1997



**GENERAL FUND HISTORICAL COMPARISONS
ORIGINAL EXECUTIVE PROJECTIONS vs. ACTUAL
(Millions of Dollars)**



HISTORICAL COMPARISONS OF ORIGINAL EXECUTIVE GENERAL FUND REVENUE PROJECTIONS vs. ACTUAL COLLECTIONS

| Fiscal Year | Executive | | Actual Amount Collected | Actual FY % Change | Actuals Over (Under) Original Projections | | Actuals Over (Under) Revised Projections | |
|-------------|------------------------|---------------------|-------------------------|--------------------|---|--------------|--|--------------|
| | Original Projections * | Revised Projections | | | \$ Difference | % Difference | \$ Difference | % Difference |
| FY 85 | \$ 460.7 | \$ 549.6 | \$ 548.9 | 10.4% | \$ 88.2 | 16.1% | (\$ 0.7) | (0.1%) |
| FY 86 | \$ 577.3 | \$ 563.7 | \$ 571.0 | 4.0% | (\$ 6.3) | (1.1%) | \$ 7.3 | 1.3% |
| FY 87 | \$ 574.6 | \$ 621.7 | \$ 632.4 | 10.8% | \$ 57.8 | 9.1% | \$ 10.7 | 1.7% |
| FY 88 | \$ 579.8 | \$ 663.4 | \$ 675.4 | 6.8% | \$ 95.6 | 14.2% | \$ 12.0 | 1.8% |
| FY 89 | \$ 665.6 | \$ 720.8 | \$ 772.5 | 14.4% | \$ 106.9 | 13.8% | \$ 51.7 | 6.7% |
| FY 90 | \$ 740.2 | \$ 834.0 | \$ 857.1 | 11.0% | \$ 116.9 | 13.6% | \$ 23.1 | 2.7% |
| FY 91 | \$ 879.4 | \$ 907.5 | \$ 901.5 | 5.2% | \$ 22.1 | 2.5% | (\$ 6.0) | (0.7%) |
| FY 92 | \$ 967.7 | \$ 956.8 | \$ 951.8 | 5.6% | (\$ 15.9) | (1.7%) | (\$ 5.0) | (0.5%) |
| FY 93 | \$ 1,017.3 | \$ 1,016.8 | \$ 1,043.5 | 9.6% | \$ 26.2 | 2.5% | \$ 26.7 | 2.6% |
| FY 94 | \$ 1,080.5 | \$ 1,157.5 | \$ 1,173.1 | 12.4% | \$ 92.6 | 7.9% | \$ 15.6 | 1.3% |
| FY 95 | \$ 1,255.7 | \$ 1,293.5 | \$ 1,288.1 | 9.8% | \$ 32.4 | 2.5% | (\$ 5.4) | (0.4%) |
| FY 96 | \$ 1,391.0 (a) | \$ 1,374.0 (a) | \$ 1,391.7 (a) | 8.0% | \$ 0.7 | 0.1% | \$ 17.7 | 1.3% |
| FY 97 | \$ 1,456.8 (a) | \$ 1,419.3 (a) | \$ 1,437.1 (a) | 3.3% | (\$ 19.7) | (1.4%) | \$ 17.8 | 1.2% |
| FY 98 | \$ 1,500.0 (a) | \$ 1,510.6 (a) | \$ 1,532.5 (a) | 6.6% | \$ 32.5 | 2.1% | \$ 21.9 | 1.4% |
| FY 99 | \$ 1,536.7 | \$ 1,595.9 | \$ 1,624.4 | 6.0% | \$ 87.7 | 5.4% | \$ 28.5 | 1.8% |
| FY 00 | \$ 1,657.3 | \$ 1,708.4 | \$ 1,821.0 | 12.1% | \$ 163.7 | 9.0% | \$ 112.6 | 6.2% |
| FY 01 | \$ 1,780.9 | \$ 1,999.8 | \$ 1,984.6 | 9.0% | \$ 203.7 | 10.3% | (\$ 15.2) | (0.8%) |
| FY 02 | \$ 2,042.5 | \$ 1,824.1 | \$ 1,690.3 | -14.8% | (\$ 352.2) | (20.8%) | (\$ 133.8) | (7.9%) |
| FY 03 | \$ 1,944.2 | \$ 1,759.6 | \$ 1,750.5 | 3.6% | (\$ 193.7) | (11.1%) | (\$ 9.1) | (0.5%) |
| FY 04 | \$ 1,833.0 | \$ 2,028.2 (b) | | | | | | |

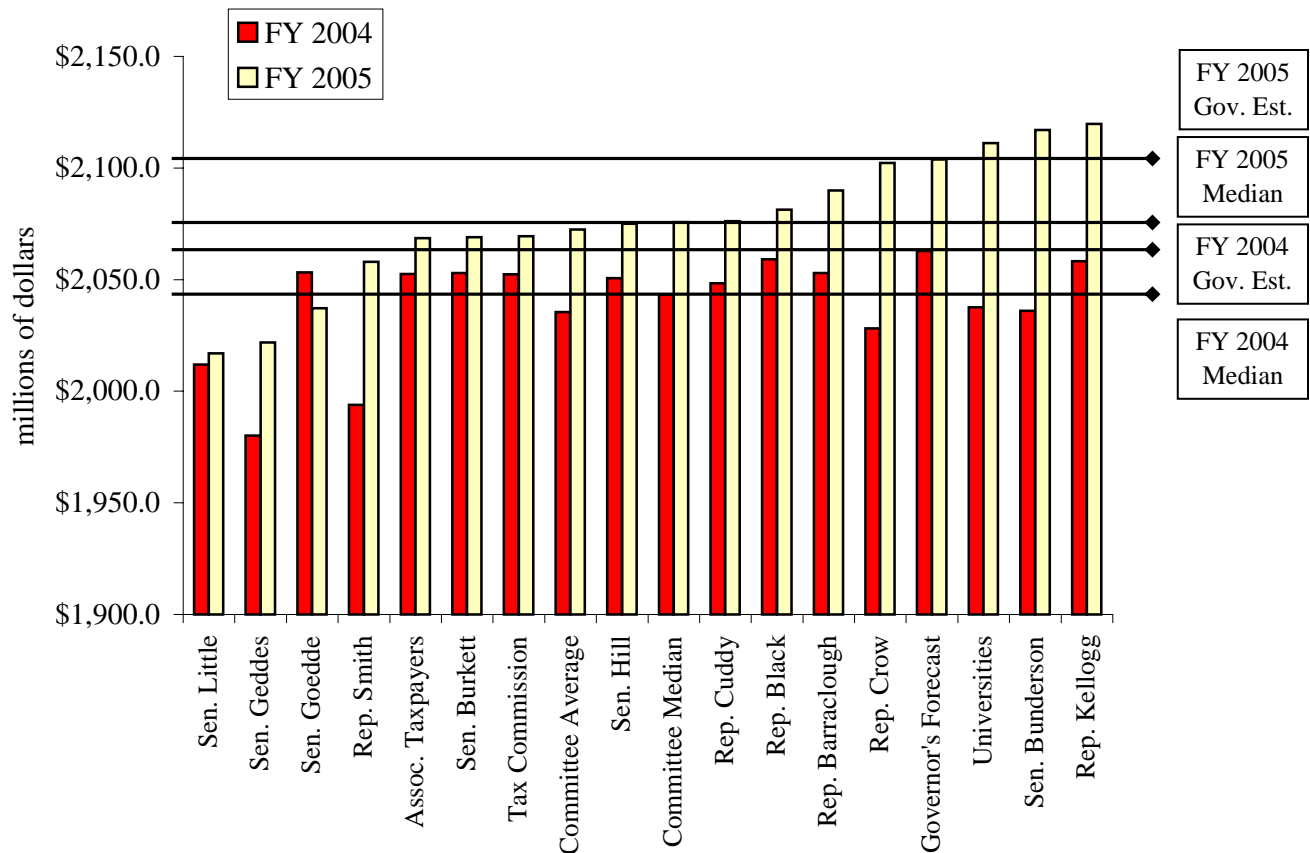
* Not adjusted for proposed Executive law changes or for actual law changes enacted, which account for some of the differences between projections and actual collections.

** Emergency Fiscal Responsibility and Recovery Act. Included holdbacks, fund transfers to the General Fund, increased sales tax rate and accelerated tax payments.

(a) Projections and actual amounts collected for fiscal years 1996, 1997, and 1998 have been adjusted to include the amounts diverted from sales tax collections for public school property tax re Statutory changes for fiscal year 1999 and beyond include the tax relief in the appropriation process.

(b) August revision.

2004 Joint Legislative Economic Outlook and Revenue Assessment Committee General Fund Revenue Projections



| Participant | FY 2004 Estimate | FY 03-04 Base Change |
|----------------------------|---------------------|-------------------------|
| Sen. Geddes | \$1,980.2 | -0.4% |
| Rep. Smith | \$1,993.9 | 0.4% |
| Sen. Little | \$2,012.0 | 1.4% |
| Rep. Crow | \$2,028.2 | 2.4% |
| Committee Average | \$2,035.5 | 2.8% |
| Sen. Bunderson | \$2,036.0 | 2.8% |
| Universities | \$2,037.6 | 2.9% |
| Rep. Cuddy | \$2,048.3 | 3.5% |
| Committee Median | \$2,049.6 | 3.6% |
| Sen. Hill | \$2,050.7 | 3.7% |
| Tax Commission | \$2,052.4 | 3.8% |
| Assoc. Taxpayers | \$2,052.5 | 3.8% |
| Sen. Burkett | \$2,053.0 | 3.8% |
| Rep. Barraclough | \$2,053.0 | 3.8% |
| Sen. Goedde | \$2,053.2 | 3.8% |
| Rep. Kellogg | \$2,058.2 | 4.1% |
| Rep. Black | \$2,059.1 | 4.2% |
| Governor's Forecast | \$2,062.8 | 4.4% |

| Participant | FY 2005 Estimate | FY 04-05 Base Change |
|----------------------------|---------------------|-------------------------|
| Sen. Little | \$2,017.0 | 4.0% |
| Sen. Geddes | \$2,021.8 | 6.0% |
| Sen. Goedde | \$2,037.2 | 2.9% |
| Rep. Smith | \$2,058.0 | 7.2% |
| Assoc. Taxpayers | \$2,068.6 | 4.5% |
| Sen. Burkett | \$2,069.0 | 4.5% |
| Tax Commission | \$2,069.5 | 4.6% |
| Committee Average | \$2,072.0 | 5.6% |
| Sen. Hill | \$2,075.1 | 5.0% |
| Committee Median | \$2,075.7 | 5.4% |
| Rep. Cuddy | \$2,076.2 | 5.1% |
| Rep. Black | \$2,081.3 | 4.8% |
| Rep. Barraclough | \$2,090.0 | 5.6% |
| Rep. Crow | \$2,102.2 | 7.5% |
| Governor's Forecast | \$2,103.9 | 6.2% |
| Universities | \$2,111.1 | 7.5% |
| Sen. Bunderson | \$2,117.0 | 7.9% |
| Rep. Kellogg | \$2,124.7 | 6.8% |

Note: Percent change figures are adjusted to reflect base change, and do not include FY04 tax law changes or one-time Cigarette Tax and federal revenues.

GENERAL FUND REVENUE PROJECTIONS - COMMITTEE MEMBER WORKING PAPER

| | PROJECTED REVENUE | | | | | |
|--------------------------------------|-------------------|------------------|----------------------|----------------------------------|---------------------------------------|----------------------------------|
| | ACTUAL REVENUE | | Fiscal Year 2004 | | Fiscal Year 2005 | |
| | Fiscal Year 2002 | Fiscal Year 2003 | Governor August 2003 | Committee Member Proj. Jan. 2004 | 15-Year Historic Avg. Increase (6.8%) | Committee Member Proj. Jan. 2004 |
| Individual Income Tax | \$835.9 | \$837.8 | \$882.8 | | \$942.8 | |
| Corporate Income Tax | 76.3 | 93.1 | 96.7 | | 103.3 | |
| Sales Tax | 657.1 | 700.2 | 865.6 | | 924.5 | |
| Cigarette Tax | 8.0 | 8.3 | | | | |
| Tobacco Tax | 4.3 | 4.7 | | | | |
| Beer Tax | 1.9 | 1.9 | | | | |
| Wine Tax | 1.9 | 2.0 | | | | |
| Liquor Dispensary | 4.9 | 4.9 | | | | |
| Subtotal - All Product Taxes* | | | 45.6 | | 23.6 | |
| Kilowatt Hour Tax | 1.8 | 1.8 | | | | |
| Mine License Tax | 0.8 | 0.0 | | | | |
| Estate Tax | 7.6 | 13.6 | | | | |
| Treasurer's Interest | 11.3 | 3.0 | | | | |
| Insurance Premium Tax | 55.4 | 59.5 | | | | |
| Miscellaneous Revenues | 23.2 | 19.6 | | | | |
| Subtotal - All Misc. Revenue* | | | 137.5 | | 93.5 | |
| Total General Fund Revenues | \$1,690.3 | \$1,750.5 | \$2,028.2 | | \$2,087.6 | |
| <i>Percent Change</i> | -14.8% | 3.6% | 15.9% | | 2.9% | |

* The FY 2005 projection, based on the 15-Year Historic Average Increase, removes the one-time FY 2004 revenue sources of the Cigarette Tax increase and the \$50 million federal payment to the state General Fund.